CITY OF SOUTHPORT

Board of Aldermen

Regular Meeting

September 10, 2026 | 6:00 PM
223 E Bay St, Southport, NC 28461
Southport Community Building
Please turn off or silence all cell phones

Agenda

A. Call to Order

B. Invocation

C. Pledge of Allegiance

D. Public Comment

E. Ethics Statement - If any members know of any conflict of interest or the appearance of a conflict of interest concerning matters on the agenda, please so state at this time.

F. Approval of Agenda

G. Approval of the Consent Agenda

1. FY27 Budget Amendment 4 - Powell Bill / Stormwater
2. **Minutes**
   10/15/2025
   5/27/2026
   6/4/2026
   6/8/2026

H. Special Recognition

1. Peace Day Proclamation

I. Agenda

1. Public Hearing — Data Center Moratorium
   Planning Director Maureen Meehan
2. Ordinance Update — Chapter 6 - Emergency Management & Chapter 7 - Fire Prevention & Protection
   Chief Drew

J. Committee Reports

K. Manager's Report

L. Mayor's Comments

M. Staff Reports

1. Community Relations

Meetings are open to the public. If you cannot attend the Board of Aldermen meetings in person, the meeting will be available for to watch via live stream on the City of Southport website (http://cityofsouthport.gov/livestream), Facebook page, and YouTube channel.

2. Finance
3. Permits & Inspections
4. Police
5. Planning
6. Public Works

N. Board Comments

O. Closed Session NCGS 143-318.11

1. Motion to go into closed session pursuant to NCGS 143-318.11 A (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee;

P. Adjourn

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: 8/31/2026 **DEPARTMENT:** Public Works

PRESENTED BY: Tom Stanley- Public Works Director

ITEM SPONSORED BY: Public Works, Finance

ITEM/TOPIC: Storm Water Projects

COST: $110,000

BUDGET LINE ITEM: Appropriated Fund Balance: 100-47001-000-000000; Capital Outlay-Powell Bill Improvements: 100-60006-451-000000

JUSTIFICATION: The PW department has three priority in-house stormwater improvement projects for completion this fiscal year. These projects represent some major stormwater improvements that City staff can complete internally based on the stormwater master plan developed by Ardurra, and one identified by city staff.

The projects include:

- **W. Brown Street** – Installation of new stormwater infrastructure between Burrington Avenue and Clarendon Avenue, with an extension north on Clarendon to Hillcrest Drive. This project will connect an existing drainage system that currently terminates without an adequate outlet.
- **E. 8th Street** – Replacement and upsizing of the existing stormwater system from Lord Street to Clarendon Avenue, including a short section on Lord Street. This system was identified and mapped by Ardurra as requiring capacity improvements.
- **Dale Avenue** – Continued replacement and upsizing of the existing stormwater system. Public Works completed a portion of this project across Stuart Avenue during FY26, and this phase will complete the remaining Dale Ave. improvements.

These projects address long-standing drainage deficiencies and are critical to improving overall stormwater capacity, reducing localized flooding, and protecting public infrastructure. Completing them this fiscal year will allow the City to take advantage of the ability to perform the work with in-house staff, resulting in significant cost savings compared to contracting the work.

I would also recommend that we prioritize completing these projects before Brunswick County begins its upcoming sewer replacement work. Coordinating our stormwater improvements ahead of the county's project would give us an opportunity to address these drainage needs before the roads are impacted by their construction, potentially avoiding additional disruption, restoration costs, and having to disturb newly completed work

Powell Bill funds would be utilized to fund these stormwater improvement projects. The use of these funds will not affect the City’s available fund balance as they are restricted for the use of Powell Bill eligible projects; therefore, allocating Powell Bill funds would provide the necessary funding without creating an additional burden on City taxpayers or requiring an increase in taxes.

IMPACT IF NOT APPROVED: Failure to fund and complete these three priority stormwater improvement projects during the current fiscal year will result in the continued existence of known drainage deficiencies throughout the affected areas. These deficiencies have already been identified through the City's stormwater master planning efforts and by Public Works staff, and delaying the improvements will not eliminate the problems—it will simply postpone addressing them while potentially allowing them to worsen.

DEPARTMENT HEAD COMMENTS: I strongly support the completion of these three priority stormwater improvement projects and the use of available Powell Bill funds to purchase the necessary materials. These projects address known drainage deficiencies and provide an opportunity for Public Works to complete significant improvements in-house, resulting in substantial cost savings to the city.

These projects were not included in the regular FY27 budget requests because at the time the budget was being prepared, there was an undisclosed amount of anticipated material cost increases scheduled to take effect after July. Rather than request funds based on uncertain pricing, I elected to pursue funding through available Powell Bill funds once current material costs could be more accurately established.

The requested Powell Bill allocation would not have an impact on the City's available fund balance or place an additional financial burden on taxpayers. This is a responsible and proactive use of dedicated funds to address existing infrastructure needs while taking advantage of the City's ability to complete the work with in-house resources.

CITY MANAGER COMMENTS: This is a great step forward in continuing to work on improvements to our stormwater system. This represents the great effort Public Works has taken to be proactive in identifying stormwater projects that they are able to complete in house. The funds for these projects will come from part of our State Powell Bill allocation which allows us to complete these projects without local tax dollars.

ATTACHMENTS: Budget Amendment

REQUESTED ACTION: Staff respectfully requests that the Board approve the allocation of $110,000 from the available Powell Bill Fund balance of $424,592.58 to purchase the necessary materials for the three priority stormwater improvement projects. Approval will allow Public Works to order materials, coordinate project scheduling, and proceed with construction using in-house staff.

PROPOSED MOTION: I move that the Board of Aldermen appropriate $110,000 from the $424,592.58 of available Powell Bill Funds to purchase materials necessary for the three priority Public Works stormwater improvement projects and authorize Public Works staff to proceed with ordering materials and completing the projects using in-house personnel.

Budget Amendment
Fiscal Year 2026-2027
Budget Amendment 4

WHEREAS, the Public Works Department has identified three priority stormwater improvement projects, W. Brown Street, E. 8th Street, and Dale Avenue, based on the City's stormwater master plan and staff assessment; and

WHEREAS, these projects address long-standing drainage deficiencies, reduce localized flooding, and protect public infrastructure; and

WHEREAS, these projects were not included in the original FY27 budget due to uncertainty at the time regarding anticipated material cost increases and current material costs can now be more accurately established; and

WHEREAS, Public Works staff recommend proceeding with these projects using in-house personnel, and completing these projects prior to Brunswick County's sewer replacement work to avoid additional disruption, restoration costs, and disturbance of newly completed infrastructure resulting in significant cost savings to the City; and

WHEREAS, the City will utilize available Powell Bill Funds, the use of which does not affect the City's available general fund balance and does not require an increase in taxes or an additional burden on taxpayers; and

WHEREAS, these funds were not originally budgeted in Fiscal Year 2026-2027 and the Board desires to expend these funds to complete the necessary stormwater projects:

NOW THEREFORE BE IT ORDAINED, by the Board of Aldermen of the City of Southport, North Carolina that the annual budget ordinance for fiscal year 2026-2027 shall be amended as follows:

Revenue	Increase
Appropriated Fund Balance 100-47001-000-000000	$110,000
Expenditure	Increase
Capital Outlay – Powell Bill Improvements 100-60006-451-000000	$110,000

Adopted by the Southport Board of Aldermen in regular session, August 13th, 2026

Dr. Joe Pat Hatem
Mayor, City of Southport

Tori Deviney
City Clerk

CITY OF SOUTHPORT
BOARD OF ALDERMEN &
HISTORIC PRESERVATION COMMISSION
SPECIAL JOINT MEETING
COMMUNITY BUILDING
223 E BAY ST, SOUTHPORT NC 28461
October 15, 2025 **|** 11:00 AM

Present Members:
Rich Alt, Mayor
Karen Mosteller, Alderman
Robert Carroll, Alderman
Lowe Davis, Alderman
Rebecca Kelley, Mayor Pro-tem
Marc Spencer, Alderman
Frank Lai, Alderman
Absent Members:

Staff Present:
Noah Saldo, City Manager
ChyAnn Ketchum, Public Information Officer
Maureen Meehan, Planning Director
Todd Coring, Police Chief
Charles Drew, Fire Chief
Ralph Treadway, Battalion Chief
Tom Stanley, Public Works Director

Others Present:
Bonnie Bray, Historic Preservation Commission Member
Alexis Gore-Graves, Historic Preservation Commission Member
Tal West, Historic Preservation Commission Member
Joanne Wesson, Historic Preservation Commission Member
Bonner Herring, Historic Preservation Commission Member
Josh Cline-McGee, Historic Preservation Commission Member,
Katherine Hufham, Historic Preservation Commission Member

Minutes

A. Call to Order

Mayor Alt called the meeting to order at 11:00 AM.
Chair Drew called the meeting to order.

B. Pledge of Allegiance

Mayor Alt led everyone in the Pledge of Allegiance.

C. Agenda

1. Southport Local Historic District and Design Standards

Chair Drew provided an overview of the Historic Preservation Commission's work since its appointment by the Board of Aldermen in October 2022. He stated that the Commission had held nearly 60 public meetings and developed rules of procedure, goals, an inventory of the proposed historic district, and proposed design standards and guidelines. The documents had received review or input from the Planning Board, City advisory committees, planning staff, the North Carolina State Historic Preservation Office, the City Attorney, consultants, and members of the public.

Chair Drew stated that two public forums and several workshops had been held and that more than 40 changes, deletions, or recommendations had been made in response to public input. He emphasized that the Commission sought to balance preservation of Southport's historic character with the interests of property owners and had revised earlier drafts to provide greater flexibility.

Chair Drew noted that Southport has been listed on the National Register of Historic Places since 1980, explaining that the National Register designation itself provides no protection against alteration or demolition of historic structures. He also referenced the recently adopted Comprehensive Plan and stated that historic preservation ranked among the top three priorities identified by approximately 600 survey participants.

Chair Drew addressed concerns regarding the length and regulatory scope of the proposed standards. He stated that the document contained 108 pages, with the first approximately 45 pages consisting primarily of historical information, definitions, procedural information, illustrations, and explanations regarding certificates of appropriateness (COAs) and quasi-judicial procedures. He estimated that fewer than 50 pages contained substantive design standards.

Chair Drew discussed the continuing loss and redevelopment of historic properties in Southport. He stated that City records documented 28 demolitions of historic structures within the National Register Historic District since 1997 and that his review of the 1980 inventory indicated approximately 45 historic structures had been demolished since 1980. He characterized the gradual loss as the “erosion of historic Southport” and stated that the proposed overlay and standards were intended to preserve the historic character of the City while accommodating appropriate change.

BOARD AND COMMISSION DISCUSSION

Secretary of the Interior Standards and Additions

Alderman Kelley questioned whether language contained in the Secretary of the Interior’s Standards for Rehabilitation could prevent a property owner from adding a second story to an existing building. Chair Drew and Planning Director Moira Meehan explained that major applications would be reviewed on a case-by-case basis through the quasi-judicial process, with consideration given to whether the proposed addition was congruous with the surrounding neighborhood.

Vice Chair Bray explained that the standards allow additions while encouraging their placement and design to preserve the character and scale of existing structures and surrounding properties. HPC Member McGee noted that the referenced language originated in the Secretary of the Interior’s Standards rather than language drafted by the Commission.

Alderman Kelley also expressed concern with language requiring replacement features to match existing features in “design, color, texture, and where possible materials,” noting that the Commission had repeatedly stated that paint color would not be regulated.

Alderman Mosteller proposed revising Section 3.1.2 to provide greater flexibility for additions of differing height, scale, size, and massing when an applicant demonstrates that the addition would remain congruous with the historic district. She also suggested replacing language stating that applicants have a “heavy burden to demonstrate” with “applicants shall demonstrate” in Sections 3.2.7, 4.1.1, and 4.2.1.

Quasi-Judicial Process and Certificates of Appropriateness

Alderman Davis requested clarification of the quasi-judicial process and the factors used by the HPC when considering applications.

Director Meehan explained that an applicant seeking approval for major work would submit supporting evidence, including applicable plans, renderings, and materials. Staff would review the application for completeness and prepare factual information for the Commission. During the evidentiary hearing, the Commission would consider the evidence presented and apply the adopted standards in determining whether the proposed work was congruous with the property and surrounding area. The Commission would be required to adopt findings supporting its decision.

Director Meehan further explained that applicants may meet with staff before submitting an application to discuss requirements and determine whether the proposed work constitutes minor or major work. Minor applications may be handled administratively, while major applications require Commission review. A COA would therefore represent an additional step before issuance of an applicable building permit.

Alderman Carroll suggested providing applicants with as much preliminary guidance as legally permissible before they incur significant design or engineering expenses. Director Meehan explained that the quasi-judicial nature of the Commission limits Commission members from reviewing or discussing an application before the evidentiary hearing, although staff may assist applicants with understanding applicable standards and application requirements.

City Manager Saldo explained that the quasi-judicial process applicable to historic preservation decisions is established by State law.

Several members discussed public perceptions that the process could be cumbersome or subjective. Chair Drew referenced the flowchart contained in the proposed standards and explained the separate administrative process for minor work and Commission review process for major work. Vice Chair Bray noted that the proposed standards had been substantially reduced during the Commission's review and apply to exterior changes rather than the interior of homes.

Appeals and "Substantive Grounds"

Alderman Davis requested clarification regarding language providing for appeals of HPC decisions to the Board of Adjustment on procedural or substantive grounds.

Director Meehan explained that the Board of Adjustment would review the HPC decision rather than rehear the application as though it were the Historic Preservation Commission. Discussion followed regarding the distinction between procedural and substantive review.

Mayor Alt requested additional clarification of the term "substantive" to ensure the appeals process was clearly stated. Later in the discussion, Chair Drew explained his understanding that substantive review would involve determining whether the HPC had sufficient support within the adopted standards for its decision. The Board agreed that this issue should be among the matters receiving further review.

Existing Properties, New Construction, and Major Renovations

Alderman Kelley suggested considering whether the standards could focus primarily on new construction, redevelopment following demolition or relocation, and substantial renovations rather than applying the same review requirements to existing property owners undertaking smaller projects.

Alderman Mosteller stated that she had discussed a percentage-based threshold with the City Attorney and understood that State law requires the COA requirements to apply throughout the designated district rather than being triggered only when renovation reaches a specified percentage.

City Manager Saldo later confirmed that State law does not provide for a percentage threshold or grandfathering provision under which the historic district regulations would apply only after a certain level of alteration.

Minor Work and Potential Duplication with Existing Regulations

The Board discussed the categories of work requiring minor COAs, including permanent window air-conditioning units, signs, chimneys, sidewalks, parking areas, and driveways.

Alderman Davis questioned whether certain provisions duplicated requirements already contained in the Unified Development Ordinance or other City regulations. Chair Drew and HPC members explained that some provisions were retained to address historic character and provide applicants with a consolidated understanding of applicable requirements.

Vice Chair Bray stated that the Commission's intent was to avoid unnecessary duplication and that provisions duplicating existing City regulations could be removed if the Board determined they were unnecessary. Members generally discussed the importance of ensuring consistency between the historic preservation standards and existing City ordinances.

Application of Standards to Contributing and Non-Contributing Properties

The Board discussed whether the proposed standards would apply to structures less than 50 years old located within the historic district.

Director Meehan clarified that all properties within the designated district would be subject to the standards. Structures less than 50 years old may be classified as non-contributing; however, proposed changes would still be reviewed for congruity with the property and surrounding neighborhood rather than requiring a newer structure to acquire historic architectural characteristics.

Alderman Davis requested information regarding the number of structures within the proposed district that are less than 50 years old. Director Meehan stated that she would obtain that information.

Demolition

Mayor Alt requested clarification of the demolition provisions. Chair Drew explained that, except where a structure meets the applicable level of historic significance permitting denial, the HPC could delay demolition for up to 365 days to allow consideration of alternatives but ultimately could not permanently prevent demolition under the provision discussed.

Commission Membership and Implementation

Mayor Alt raised questions regarding the composition and qualifications of the Historic Preservation Commission if the proposed district and standards were adopted.

Director Meehan explained that the existing HPC would serve as the quasi-judicial commission and that its membership is established through the City ordinance. She further stated that State law requires a majority of Commission members to have demonstrated special interest, experience, or education in history, architecture, archaeology, or related fields.

Members discussed whether Commission membership should include a greater proportion of residents or property owners from within the historic district. Alderman Kelley also suggested including commercial property owners from within the district.

City Manager Saldo explained that the Board could establish a delayed effective date for an ordinance if additional time were needed to address Commission membership and appointments before implementation. Staff was asked to consider language addressing representation of residential and commercial property owners within the district.

Insurance

Mayor Alt raised concerns that designation of a local historic district could affect the availability or cost of property insurance and requested authoritative information on the issue.

Aldermen Davis and Mosteller discussed information they had received from insurance agents indicating that age, condition, construction, location, and other characteristics of older homes affect insurance availability and premiums, while historic district designation itself was not identified as a determining factor by the agents they contacted.

Chair Drew offered to seek additional information, including from the North Carolina insurance industry or appropriate State officials. The Board expressed support for obtaining additional information from a knowledgeable insurance source.

Senate Bill 282

Mayor Alt requested confirmation regarding the effect of Senate Bill 282 and its downzoning provisions on the establishment of the proposed historic district.

Chair Drew stated that the Commission had previously discussed the legislation and had received an opinion from the City Attorney concerning its applicability. Mayor Alt requested that the legal issue be clearly resolved as part of the Board's continued review.

Public Input and Petition

The Board discussed public response to the proposed historic district and design standards. Chair Drew and HPC Member Gore-Graves stated that the Commission had received comments both supporting and opposing the proposal.

Mayor Alt referenced a petition containing 196 signatures and stated that this represented approximately 76 percent of the identified lot owners. City Manager Saldo explained that the petition was a private petition and that no City certification process was required. Members discussed the extent to which the petition reflected reaction to earlier versions of the proposed standards, which had subsequently undergone substantial revision.

NEXT STEPS

HPC Member McGee requested that the Board of Aldermen provide the Commission with a written list identifying provisions it considered ambiguous or in need of revision. Mayor Alt agreed that written comments would allow the HPC to review the Board's concerns and provide feedback regarding whether proposed changes were workable.

Chair Drew stated that the HPC's next regular meeting would be held on the first Wednesday in November and that he did not intend to schedule an additional special workshop before that meeting.

A motion was made by Alderman Mosteller and seconded by Alderman Spencer for the Board of Aldermen to prepare a written list of items for consideration by the Historic Preservation Commission by October 29, 2025.

The motion carried unanimously.

CLOSING REMARKS

Alderman Davis thanked the members of the Historic Preservation Commission for their work and patience throughout the process.

Chair Drew reiterated that the Commission's goals were to preserve Southport's character, heritage, and landmarks; promote public outreach and education regarding historic preservation; and prevent the loss of historically significant places. He thanked the Board for the opportunity to discuss the proposed standards.

D. Adjourn

A motion was made by HPC Member McGee and seconded by Vice Chair Bray to adjourn the Historic Preservation Commission's portion of the joint meeting.

The motion carried unanimously.

A motion was made by Alderman Mosteller and seconded by Alderman Carroll to adjourn the Board of Aldermen's portion of the joint meeting.

The motion carried unanimously.

The meeting adjourned at 2 p.m.

Dr. Joseph P. Hatem, Mayor

Attest:

Scott Baillargeon, Deputy Clerk

CITY OF SOUTHPORT
BOARD OF ALDERMEN
SPECIAL MEETING
INDIAN TRAIL MEETING HALL
113 W. MOORE ST, SOUTHPORT NC 28461
May 27, 2026 | 9:00 AM

Present Members:
Mayor Joseph P. Hatem
Alderman Paul Gross
Alderman Marc Spencer
Alderman Rebecca Kelley
Alderman Lowe Davis
Alderman Robert Carroll
Mayor Pro-Tem Karen Mosteller
Absent Members:

Staff Present:
Noah Saldo, City Manager
Tori Deviney, City Clerk
ChyAnn Ketchum, Public Information Officer
Joey Kronenwetter, Finance Director
Maureen Meehan, Planning Director
Charles Drew, Fire Chief
Todd Coring, Police Chief
Tom Stanley, Public Works Director
Tom Zilinik, City Engineer

Others Present:

Minutes

A. Call to Order

Mayor Hatem called the meeting to order at 9:05 am.

B. Invocation

Alderman Reverened Lowe Davis provided the invocation.

C. Pledge of Allegiance

Mayor Hatem led everyone in the Pledge of Allegiance.

D. Agenda

1. City Managers FY27 Proposed Budget Presentation

Mayor Hatem called the budget workshop to order and explained that the purpose of the meeting was to receive the City Manager's presentation of the proposed Fiscal Year 2026–2027 budget. He recognized the work of City Manager Noah Saldo, Finance Director Joey Kronenwetter, department heads, and City Staff in preparing the proposed budget.

Mayor Hatem stated that the workshop represented the beginning of the Board's budget review process and emphasized that all available options concerning revenues, expenditures, and potential cost savings remained under consideration.

Mayor Hatem stated that the City's budget and service priorities should be guided by four principal areas. The first was public health, public safety, and emergency preparedness, including police, fire, emergency medical services, and the protection of the community's environment. The second was preservation of Southport's historic heritage and culture, including its neighborhoods and village character. The third was maintaining and improving infrastructure while providing for sound financial management, competitive employee salaries and benefits, quality municipal services, support for the local economy, and sufficient financial reserves for hurricanes, storms, and other emergencies. The fourth was enhancement of the community's quality of life through its churches, library, museums, parks, Fort Johnston, civic organizations, volunteers, and residents.

Mayor Hatem further stated that the City would continue working collaboratively with residents and State legislators to seek infrastructure funding, identify opportunities associated with tourism, and pursue an increased share of locally generated sales tax revenues. He noted that this meeting was the first of several anticipated budget workshops and that a public hearing and opportunities for public comment would occur before adoption of the final budget.

Mayor Hatem stated that Southport continued to benefit from a growing tax base and strong financial resources, while also facing the inflationary and infrastructure challenges experienced by municipalities throughout the State.

He then recognized City Manager Noah Saldo to present the recommended Fiscal Year 2026–2027 budget.

CITY MANAGER'S RECOMMENDED FY 2026–2027 BUDGET

City Manager Saldo thanked the Mayor, Board of Aldermen, City employees, department heads, Finance Director Joey Kronenwetter, and the public. He stated that the annual budget was among the City's most important policy documents because it provided the financial authority necessary for the City to deliver essential services throughout the year.

Manager Saldo explained that development of the proposed budget had been affected by continuing economic uncertainty, inflation, increased operating costs, increasing demands for municipal services, and the loss of several revenue sources.

REVENUE CHALLENGES

Manager Saldo reported that residential development continued within the City; however, there was often a delay between issuance of a final certificate of occupancy and the addition of the full assessed value of a newly completed property to the City's tax base. As a result, the City was experiencing growth that had not yet fully translated into property tax revenue for the proposed fiscal year.

Manager Saldo also reported the loss of approximately $251,000 associated with a payment-in-lieu arrangement with Duke Energy related to water and sewer service. He explained that the revenue had been discontinued following the merger of water and sewer services with Brunswick County.

He further reported that the Southport ABC Board had significantly reduced its anticipated annual distribution to the City based upon guidance from its auditor and its own operational needs. Manager Saldo estimated the resulting reduction at approximately $330,000.

Manager Saldo stated that the combined loss of these revenues amounted to approximately $635,000, an amount roughly equivalent to four cents on the City's property tax rate.

He further noted that the City continued to experience increasing costs for State-mandated retirement contributions, employee health insurance, liability insurance, workers' compensation insurance, equipment, fuel, infrastructure, and other operating expenses.

SERVICE POPULATION AND DEMAND

Manager Saldo discussed the difference between Southport's permanent residential population and the total number of people requiring City services on an average day.

He stated that Southport had approximately 4,200 permanent residents but estimated that the City served approximately 22,000 people on an average day when commuters, residents of surrounding communities, and visitors were included.

Manager Saldo noted that major community events added substantially to service demand. He referenced attendance of approximately 40,000 people at the Fourth of July Festival, approximately 14,000 at Spring Festival, approximately 11,000 at the Wooden Boat Show, approximately 8,600 at the car show, approximately 35,000 at Winterfest, and approximately 9,000 at the flotilla.

He also stated that the Yacht Basin corridor had experienced more than 838,000 unique visitors during the preceding year. Manager Saldo emphasized that these visitors contributed positively to Southport's businesses, economy, and sales tax revenues while also increasing demands on police, fire, EMS, sanitation, traffic management, and other City services.

GENERAL FUND

Manager Saldo presented a proposed General Fund budget of slightly more than $15.3 million, representing an increase of approximately 1.51 percent over the current Fiscal Year 2025–2026 budget.

PROPERTY TAX RATE

To maintain existing service levels, address increased operational costs, and compensate for revenue losses, Manager Saldo recommended a 1.5-cent increase in the property tax rate. The proposed rate would therefore increase to 32.5 cents per $100 of assessed value.

Manager Saldo further recommended redirecting one cent that had previously been dedicated to the Capital Fund into the General Fund until revenues stabilized.

He explained that the average assessed property value in Southport was approximately $428,000. At the current tax rate, the owner of such a property would pay approximately $1,328 annually in City property taxes. Under the proposed 1.5-cent increase, the annual City property tax bill would increase to approximately $1,392, representing an increase of approximately $64 per year, or approximately $5.35 per month.

PERSONNEL CHANGES

Manager Saldo reported that the proposed General Fund budget eliminated two full-time City positions: an internal code enforcement position and a Parks and Recreation position.

He explained that code enforcement services would continue to be provided through the City's outside code enforcement contractor.

The proposed budget also included four additional full-time police officer positions to address increasing public safety demands and call volumes.

Manager Saldo stated that the proposed budget eliminated the City's cemetery mowing contract and assigned that responsibility to the Public Works Department, resulting in an estimated savings of approximately $68,000.

EMPLOYEE COMPENSATION AND BENEFITS

Manager Saldo recommended a 2.75 percent cost-of-living adjustment for all full-time employees. He stated that the adjustment was intended to maintain competitive compensation and partially address inflationary pressures experienced by employees.

The proposed budget also included an opportunity for a one-time, performance-based $500 bonus for full-time employees.

Manager Saldo recommended reducing the City's contribution toward dependent health insurance coverage from 50 percent to 25 percent. He explained that although the 50 percent dependent contribution represented a valuable benefit to employees, rising insurance costs had made the current contribution increasingly difficult to sustain. He estimated savings of approximately $60,000 from the proposed change.

TAX BASE GROWTH

Manager Saldo reported that the City’s tax base had grown by approximately $37 million, producing approximately $123,000 in additional property tax revenue.

REVENUE AND EXPENDITURE DISTRIBUTION

Manager Saldo reviewed charts illustrating the sources of General Fund revenue and departmental expenditures.

He stated that ad valorem property taxes represented the City’s largest General Fund revenue source, followed by sales tax, fire-related revenues, and other revenue sources.

Manager Saldo further stated that more than 50 percent of the General Fund budget supported public safety functions, including the Police Department, Fire Department, and emergency medical services.

POLICE DEPARTMENT

Manager Saldo explained the recommendation to add four police officers by reviewing the growth in calls for service.

He reported that the Police Department responded to slightly more than 12,000 calls for service or events during 2025, compared with approximately 6,400 in 2022. He stated that the Department had received no additional officer positions since 2022 while call volume had increased approximately 88 percent.

Manager Saldo reported substantial increases in several categories of service calls, including assaults, domestic calls, 911 open-line calls, animal-related calls, property crimes, festivals, and special events.

He stated that Staff needs involved both call volume and officer safety. Certain calls required a minimum of two officers, and existing Staff occasionally resulted in an officer arriving at a potentially dangerous scene before backup was available.

Manager Saldo explained that the Police Department currently operated two day shifts and two night shifts. The four proposed positions would allow the City to add one officer to each shift, bringing each shift to three officers.

GENERAL FUND BALANCE

Manager Saldo presented potential General Fund balance appropriations for several one-time obligations and investments.

The proposed appropriations included approximately $729,000 for Fire Department debt service, $150,000 for a Unified Development Ordinance update, approximately $63,000 for employee-related expenses, and more than $10,000 for Forestry and Beautification Committee projects.

Manager Saldo emphasized that the proposed Fire Department debt service appropriation represented a worst-case scenario. He reported that the City continued to work with Brunswick County fire departments, the local legislative delegation, and other partners to establish a revised fire funding mechanism, potentially involving an increase in the statutory fire fee cap followed by a longer-term transition to a fire tax.

He stated that legislative action could occur during the first weeks of June. If the legislation passed and the Fire District Fee Committee subsequently recommended increased fire fees, the proposed $729,000 General Fund balance appropriation for debt service might be unnecessary.

Manager Saldo reported that the City’s total General Fund balance was approximately $13 million to $14 million, with approximately $9.6 million classified as unassigned and available for expenditure.

He stated that the Board’s fund balance policy required the City to maintain approximately 50.5 percent of expenditures in fund balance. Based upon that policy, approximately $6.8 million was available above the required reserve level.

Manager Saldo stated that even under the maximum proposed fund balance appropriation scenario, approximately $5.9 million would remain available, maintaining reserves above the Board’s adopted policy level.

He also reviewed the growth of the City's General Fund balance since 2021 and stated that the increased reserve position strengthened the City's ability to respond to natural disasters and major infrastructure needs.

COMPARISON WITH SURROUNDING MUNICIPALITIES

Manager Saldo compared Southport's property tax rate and tax base with several neighboring municipalities.

He explained that some neighboring communities were able to maintain lower property tax rates because their total assessed property values were significantly higher.

He cited Oak Island as an example, noting that its tax base was approximately four times larger than Southport's and included extensive oceanfront property.

Manager Saldo also noted that several neighboring municipalities received substantially more occupancy tax revenue because of their large numbers of hotel and vacation rental properties.

He reported that Oak Island received more than $6 million annually in occupancy tax revenue compared with approximately $247,000 received by Southport.

Manager Saldo further explained that sales tax distributions were affected by population. He stated that St. James, for example, received approximately $900,000 more in sales tax revenue than Southport.

He concluded that comparisons of municipal tax rates should therefore also consider differences in tax base, occupancy tax revenues, sales tax distributions, and other revenue sources.

ELECTRIC FUND

Manager Saldo presented a proposed Electric Fund budget of approximately $11.2 million.

He stated that the Electric Fund remained financially stable, self-sustaining, and positioned for continued operational growth and system resilience.

ELECTRIC RATE INCREASE

The proposed budget included a 7 percent electric rate increase resulting primarily from increases in wholesale electric power costs passed on to the City.

TRANSFORMER INFRASTRUCTURE PROJECT

Manager Saldo described a proposed $2 million electrical transformer infrastructure project as one of the most significant capital investments in the proposed budget.

He stated that the existing electrical system was approaching capacity during periods of high demand, particularly during extreme heat and cold. Failure to increase transformer capacity could create reliability concerns and the potential for rolling brownouts.

Manager Saldo proposed using approximately $1 million from Electric Fund balance toward the transformer purchase.

He noted that transformers had lengthy manufacturing and delivery lead times and could require months or years to obtain.

The total project was estimated at approximately $2 million. If the transformer was delivered during Fiscal Year 2026–2027, the additional approximately $1 million required for construction, engineering, and installation could be funded through Electric Fund revenues during the fiscal year or through a subsequent budget amendment, depending upon cash flow and delivery timing.

ELECTRICAL UNDERGROUNDING

Manager Saldo stated that the proposed budget also continued the City’s electrical undergrounding program with an investment of more than $500,000.

SYSTEM CAPACITY

Manager Saldo reviewed the current electrical grid capacity and stated that existing homes and businesses were bringing the system close to available capacity.

He noted that portions of the proposed Waterway development would be served by Brunswick Electric rather than the City's electric system. He emphasized that the need for the transformer project existed independently of the Waterway development and would remain necessary even if that development did not occur.

ELECTRIC FUND BALANCE

Manager Saldo reported an unassigned Electric Fund balance of approximately $5.4 million.

Following the maximum proposed investments, approximately $3.4 million in available Electric Fund balance would remain.

CAPITAL FUND

Manager Saldo presented approximately $1.6 million in proposed Capital Fund investments.

The proposed projects included approximately:

$558,000 for stormwater improvements;

$512,000 for street paving;

$150,000 for sidewalk improvements;

$136,000 for facility maintenance;

$80,000 for Fire Department air bottle replacements;

$80,000 for continued design work associated with the Old City Hall/Courthouse project;

$50,000 for Franklin Square Park and other park needs;

$40,000 for ambulance-related improvements; and

$5,000 for cemetery improvements.

STORMWATER IMPROVEMENTS

Manager Saldo discussed the proposed $558,000 stormwater expenditure and the City's continuing pursuit of a FEMA-related grant for a major stormwater project.

He explained that the project had moved through several layers of federal and State review and that the City was proceeding with the grant application.

The proposed $558,000 would fund engineering and design work required as part of the application process.

Manager Saldo stated that the City remained optimistic that the grant would ultimately fund project construction and reimburse the City for qualifying engineering costs.

He added that even if the grant was unsuccessful, the engineering and design work remained necessary, and the City could subsequently seek additional grant funding or include construction funding in a future budget.

OLD CITY HALL/COURTHOUSE

Manager Saldo reported that the consultants working on the Old City Hall/Courthouse project were continuing design and engineering work.

The proposed additional funding would support structural investigation to determine the building's condition and ensure the proposed design adequately addressed structural needs before construction began.

STREET PAVING

Manager Saldo reviewed proposed paving projects and noted that several downtown streets requiring resurfacing had been intentionally omitted from the current paving program because they were included within the Brunswick County sewer replacement project.

He explained that resurfacing those streets before completion of the sewer work would result in newly paved streets being disturbed. The City therefore intended to add those streets to a future paving schedule after completion of the sewer replacement work.

SIDEWALKS

Manager Saldo also reviewed proposed locations for new sidewalk construction and sidewalk resurfacing throughout the City.

CAPITAL FUND BALANCE

Manager Saldo reported approximately $1.7 million in available Capital Fund balance.

Following the proposed Fiscal Year 2026–2027 investments, approximately $159,000 in available Capital Fund balance would remain.

DEVELOPMENT AND FUTURE REVENUE

Manager Saldo reviewed residential developments that had either been approved or were proceeding through the approval process.

He discussed the number of anticipated residential units and expected completion dates and stated that new homes entering the tax base should provide increasingly positive General Fund revenue impacts as development continued over the next several years.

LONG-TERM INFRASTRUCTURE AND BOND PLANNING

Manager Saldo stated that Southport faced tens of millions of dollars in stormwater and other infrastructure needs.

While the City would continue pursuing grant opportunities, he noted that State and federal funding opportunities had become increasingly limited.

He stated that the scale of Southport’s infrastructure needs made it impractical to address all required projects through individual annual budgets.

Manager Saldo therefore announced his intention to develop a comprehensive bond package over the following year. He stated that such a package could provide the City with a method of funding major infrastructure improvements and long-deferred capital projects in a coordinated manner.

CONCLUSION

Manager Saldo acknowledged that the recommended budget included difficult decisions, particularly the proposed property tax and electric rate increases.

He stated that the budget represented what he believed to be the most balanced approach to declining revenues, rising operating costs, and increasing service demands while maintaining essential municipal services.

Manager Saldo stated that the City remained financially strong and that the proposed budget prioritized responsible stewardship, essential services, strategic investments, and long-term financial stability.

He also discussed improvements in the City's budgeting and financial reporting systems through the use of OpenGov software.

Following adoption of the final budget, the City intended to revise the budget book and submit it to the Government Finance Officers Association for consideration for the Distinguished Budget Presentation Award.

Manager Saldo further stated that the City planned to develop a public financial dashboard providing more current information concerning revenues and expenditures for the Board and the public.

NEXT STEPS

Manager Saldo stated that he and Finance Director Kronenwetter were available to answer questions and meet individually with Board members to review specific portions of the proposed budget.

He also advised that additional workshop dates had been identified if the Board wished to review individual departments in greater detail or meet directly with department heads.

Manager Saldo stated that the required public hearing on the proposed budget would be scheduled for the Board's June 11, 2026, regular meeting. The Board could consider adoption at that meeting or continue consideration to a subsequent special meeting.

He noted that the new fiscal year would begin July 1, 2026.

Mayor Hatem thanked Manager Saldo for the presentation and opened the floor for questions and comments from the Board of Aldermen.

BOARD DISCUSSION

ABC Board Revenues

Alderman Carroll thanked City Manager Saldo for providing the proposed budget materials in advance of the workshop and asked for additional information regarding the anticipated reduction in distributions from the Southport ABC Board. He questioned whether the reduction was attributable to planned capital improvements or other expenditures by the ABC Board.

Manager Saldo stated that the reduction was not associated with a specific capital project but reflected the ABC Board's need to maintain an appropriate fund balance and provide for other strategic investments.

Alderman Gross, serving as the Board's liaison to the ABC Board, provided additional information regarding the reduction in ABC revenues. He stated that declining gross sales had become a concern statewide and that a communication issue between the City and ABC Board had also affected the City's revenue projections for Fiscal Year 2025–2026.

Alderman Gross explained that the City had historically budgeted ABC revenues based upon approximately five years of prior distributions, which had exceeded $500,000 annually. When the ABC Board adopted its Fiscal Year 2025–2026 budget, however, it allocated approximately $315,000 for distribution to the City. He stated that the change was reportedly communicated to City officials at the time, although City officials had no recollection of receiving the information. This created a substantial difference between the amount budgeted by the City and the amount anticipated from the ABC Board.

Alderman Gross further explained that the ABC Board had experienced increased operating expenses and had purchased a delivery van to remain competitive with the Boiling Spring Lakes ABC operation, which was providing delivery services. Combined with declining sales, these circumstances placed additional pressure on the ABC Board's available distributions.

At one point during the fiscal year, the ABC Board had projected a distribution to Southport of approximately $92,000. Alderman Gross stated that he had advocated for the ABC Board to meet the approximately $315,000 allocation contained in its adopted budget and that the Board had unanimously agreed to work toward that amount.

Alderman Gross stated that the ABC Board's preliminary budget for the upcoming fiscal year contemplated a City distribution of approximately $264,000. While expressing disappointment with the reduction, he acknowledged that the proposed distribution remained above the minimum required by the State ABC Board and recognized that the Southport ABC Board had historically provided generous distributions to the City.

He stated that future communication between the City and ABC Board would be improved and that he had already provided the City Manager with copies of the ABC Board's preliminary budget so the City could incorporate more accurate revenue projections into its own budget process.

Fire Department Debt Service

Alderman Carroll requested clarification regarding the approximately $729,000 identified for Fire Department debt service.

Manager Saldo explained that the debt service included obligations associated with the Fire Department building, the new ambulance, and previously purchased fire apparatus. He anticipated that the existing obligations would be retired by approximately 2030.

Cemetery Improvements

Alderman Carroll asked whether the proposed $5,000 for cemetery improvements was intended for projects identified by the Cemetery Committee or for specific projects already identified by Staff.

Manager Saldo stated that Staff had remained informed of the Cemetery Committee's discussions and anticipated working collaboratively with the Committee to identify priorities. Potential projects included fencing, plantings, improvements, and cleaning of cemetery monuments.

Alderman Spencer stated that the Cemetery Committee had identified approximately $20,000 in needed repairs and improvements, particularly within Old Smithville Cemetery, and suggested that the proposed $5,000 allocation might be insufficient.

Alderman Carroll expressed support for returning cemetery mowing responsibilities to City Staff rather than continuing the outside mowing contract. He stated that utilizing existing Public Works personnel represented an appropriate use of City resources.

Alderman Davis clarified that the cemetery expenditures under discussion did not include John N. Smith Cemetery. She also discussed ongoing fundraising efforts benefiting cemetery and related preservation needs, noting that more than $1,000 had already been raised through a raffle.

Parks and Recreation Capital Funding

Alderman Carroll discussed the proposed $50,000 allocation for Franklin Square Park. He noted that approximately $183,000 had been invested in Franklin Square Park during the preceding three years and stated that residents had begun asking about investments in other City parks.

Manager Saldo agreed and stated that the final budget ordinance could be revised so that the $50,000 allocation was designated generally for City parks rather than exclusively for Franklin Square Park. This would provide flexibility for Staff to work with the community throughout the fiscal year and direct funding toward Franklin Square Park or other City parks based upon identified needs and priorities.

Alderman Spencer recognized the work performed by the Cemetery Committee and stated that the Committee had accomplished a significant amount with the resources available.

Departmental Budget Review

Alderman Davis stated that she wanted the Board to have an opportunity to meet with department heads and conduct a detailed review of departmental expenditures before finalizing the budget.

She noted that the Board had historically reviewed departmental budgets in considerable detail and stated that discussions with department heads would allow the Board to better understand individual expenditure categories and determine whether the proposed expenditures aligned with the Board's priorities.

Alderman Davis acknowledged that a detailed departmental review would require additional workshop time but expressed support for scheduling the necessary meetings.

Employee Cost-of-Living Adjustment and Merit Compensation

Alderman Mosteller asked for clarification regarding the proposed 2.75 percent cost-of-living adjustment (COLA) for employees.

Manager Saldo explained that the recommended percentage was based upon inflationary measures and related economic indicators considered during development of the proposed budget.

Alderman Mosteller then raised concerns regarding the proposed one-time, performance-based $500 employee bonus. She stated that the City had previously established an employee evaluation and merit-pay system intended to recognize differences in employee performance. She expressed concern that a flat-dollar bonus could function more like a general bonus than a meaningful merit-based incentive and stated that employees who excelled should have an opportunity to receive greater recognition based upon performance.

Manager Saldo stated that he also preferred a percentage-based merit increase under ordinary circumstances. The City's existing system provided a merit pool of up to approximately two percent, with the individual percentage determined by an employee's performance evaluation.

He explained that he recommended the $500 one-time performance bonus in the proposed budget because a one-time payment would not permanently increase base salaries. A percentage-based merit increase would increase recurring salary expenses and would also increase associated retirement and other personnel costs.

Manager Saldo stated that the recommendation was intended to balance employee compensation with the need to minimize the proposed tax increase and control recurring expenditures. He expressed willingness to provide the Board with calculations showing the cost of retaining the existing percentage-based merit system.

Alderman Davis asked whether employees had already been informed that a $500 performance bonus was proposed.

Manager Saldo stated that the specific $500 proposal had not previously been communicated to employees and was being publicly presented as part of the recommended budget. He explained that employees were generally accustomed to the City's COLA and merit processes but that the proposed flat-dollar performance bonus would represent a change from the existing percentage-based system.

Alderman Carroll suggested that Staff provide information comparing the proposed $500 payment with the existing percentage-based merit system, including the number of employees who would receive more than $500 and the number who would receive less than $500 under a two-percent merit structure.

Alderman Mosteller indicated that the issue could be examined more closely during the Board's detailed departmental budget review.

Alderman Kelley asked whether the existing employee evaluation system operated on a bell curve.

Manager Saldo explained that the system was formula-based rather than a traditional bell curve. Employee evaluations assigned points within established performance categories, and those scores were entered into a formula that calculated the applicable merit percentage up to the authorized maximum. He stated that the system was designed to connect the percentage awarded to the employee's individual performance evaluation.

Alderman Kelley expressed support for maintaining a compensation structure that incentivized employees to perform at a high level.

Electric Transformer Project

Alderman Kelley asked where the proposed new electrical transformer would be located.

Manager Saldo stated that the transformer would be installed in the existing electrical infrastructure area located between Public Works and Dosher Memorial Hospital, behind the hospital parking area and near the City's existing transformer infrastructure.

Stormwater, Streets, and Sidewalk Priorities

Alderman Kelley stated that stormwater improvements represented one of the City's most important budget priorities.

She expressed support for pursuing grant funding for stormwater projects but agreed with including the necessary funding in the City budget so that critical work could proceed if grant funding was delayed or unavailable.

Alderman Kelley stated that while street paving and sidewalk improvements remained important, stormwater should receive a higher priority when funding limitations required the City to choose among projects. She noted that residents experiencing flooding faced a more immediate problem and suggested that some street paving or sidewalk improvements could be deferred if necessary to preserve funding for stormwater improvements.

Alderman Kelley also expressed support for changing the proposed Franklin Square Park allocation to a broader parks allocation that could be used throughout the City based upon identified needs.

Ambulance Upfit

Alderman Kelley requested clarification regarding the proposed funding for an ambulance upfit and asked whether the funding was associated with an ambulance that the City had already purchased and was awaiting delivery.

Ambulance and Fire Department Air Bottle Replacement

Manager Saldo confirmed that the proposed ambulance upfit funding was associated with an ambulance that had already been purchased and was awaiting delivery.

Alderman Kelley asked for clarification regarding the proposed Fire Department air bottle replacement expenditure.

Manager Saldo explained that the funding would replace the breathing-air cylinders used by firefighters when entering hazardous environments. He stated that many of the existing cylinders were approximately 20 years old and had exceeded their anticipated service life.

Fire District Funding Legislation

Alderman Spencer asked whether anticipated State legislation in June would determine the extent of the City's Fire Department debt service obligation.

Manager Saldo stated that the City anticipated movement on fire fee legislation during the first few weeks of June. If the General Assembly increased the allowable fire fee cap, the Fire District Committee would meet before the end of the fiscal year to establish rates.

Manager Saldo explained that if the cap was increased and the Committee recommended an increase in fire fees, the amount required from the City for Fire Department debt service could be substantially reduced or potentially eliminated, depending upon the final legislation and resulting revenues.

Electrical Undergrounding

Alderman Spencer asked whether the proposed $500,000 investment in electrical undergrounding represented the optimal level of funding or whether the City could reasonably accomplish additional work during the fiscal year.

Manager Saldo stated that additional undergrounding could be accomplished and noted that previous annual investments had approached approximately $1 million. He explained that he recommended $500,000 for the upcoming fiscal year because of the additional $2 million transformer project and his desire to preserve sufficient Electric Fund balance.

Alderman Spencer stated that he wanted to ensure the City continued investing at an appropriate and sustainable level in undergrounding. He also reiterated the relationship between road improvements and drainage, observing that paving streets before addressing underlying drainage deficiencies could result in additional future costs.

Service Population and Utility Customers

Alderman Spencer returned to the distinction between Southport's approximately 4,200 permanent residents and the estimated 22,000 people present in the City on an average day. He stated that this presented a fundamental budget challenge because a relatively small permanent population financially supported services used by a substantially larger daily population.

Manager Saldo stated that the City would experience some growth in electrical customers as approved developments came online, including portions of the Waterway development. He added that the number of electrical customers was unlikely to grow at the same rate as the number of people using City services.

Budget Transparency, Personnel Costs, and Staff

Alderman Gross stated that the Board had a responsibility to ensure transparency, accountability, ethical decision-making, and responsible management of public resources.

He expressed support for conducting a detailed review of the proposed budget with each department head and stated that he believed the other Board members shared an interest in doing so.

Alderman Gross raised questions regarding the City's chart of accounts and requested greater detail concerning personnel expenditures. Specifically, he asked where Christmas bonuses, on-call compensation, longevity payments, and similar employee benefits were reflected in the budget. He stated that these expenditures appeared to be grouped within broader accounts and expressed a preference for greater separation of these costs to improve transparency and accountability.

Alderman Gross also discussed historical expenditure and Staff trends. He stated that the City budget had increased approximately 19.6 percent from 2016 to 2021 and approximately 89.9 percent from 2021 to 2026.

He compared Southport with Shallotte and Sunset Beach using figures reported by the North Carolina League of Municipalities. He stated that Shallotte, with a population of approximately 4,347, had approximately 62 full-time equivalent positions; Sunset Beach, with a population of approximately 4,300, had approximately 60; and Southport, with a population of approximately 4,226, had approximately 84.

Regarding the proposed employee merit bonus, Alderman Gross acknowledged that a one-time bonus rather than an increase to base salary would reduce future recurring costs associated with retirement and other benefits. He suggested that the Board might consider a graduated performance-based bonus structure, with employees receiving different amounts based upon performance rather than the same maximum payment.

Alderman Gross stated that he would reserve additional budget questions for the anticipated departmental meetings.

Fire District Service Area

Alderman Carroll asked for the approximate division between the portion of the Fire District located within Southport and the area located outside the City limits.

Manager Saldo stated that the district was approximately evenly divided geographically between areas inside and outside the City.

Alderman Carroll noted that figures previously discussed indicated a Fire District service population of approximately 17,000 compared with approximately 4,200 residents within Southport and asked how those figures related to the geographic division.

Manager Saldo explained that while the geographic area was approximately evenly divided, the population distribution was different because substantially more people lived in the portion of the Fire District outside the City limits.

Alderman Davis asked whether the City had information concerning the number or value of structures within the respective portions of the district.

Manager Saldo stated that the City did not currently have that breakdown. He explained that the City received a bulk payment and that Staff could inquire with the Brunswick County Tax Office regarding whether more detailed information was available.

Alderman Kelley asked whether the City could determine how many Fire/EMS calls occurred inside the City limits compared with calls outside the City.

Manager Saldo stated that the information was not immediately available but that Staff would attempt to obtain it.

Mayor Hatem referenced the overall number of medical and fire calls handled by the department.

Manager Saldo explained that the City did not establish the boundaries of the Fire District and that the service area was established through the County. The

City’s principal option would be whether it continued to provide service within the established district.

Alderman Kelley reiterated that she would like to see a geographic breakdown of calls so the Board could better understand the relationship between City taxpayers and the broader population served.

Police Services

Alderman Kelley requested historical information regarding the cost of having the Brunswick County Sheriff’s Office provide law enforcement services within Southport compared with the cost of maintaining the City’s own Police Department.

The request was identified as an item for further review.

Stormwater Infrastructure

Mayor Hatem thanked the City Manager for the presentation and stated that stormwater represented the City’s largest infrastructure challenge.

He referenced engineering estimates indicating approximately $30 million could be required to repair existing stormwater infrastructure and approximately $60 million to construct the additional infrastructure needed throughout the City.

Manager Saldo stated that Staff could provide the Board with the existing list of stormwater projects and estimated costs. This would allow the Board to evaluate whether funding currently proposed for paving or other projects should be shifted toward stormwater.

He stated that the Board could also consider additional use of available fund balance for stormwater investments. As an example, he suggested that increasing the proposed investment to approximately $1 million could allow the City to address additional projects during the upcoming fiscal year.

Alderman Kelley stated that Public Works Director Tom Stanley and his Staff did an effective job addressing potholes and other roadway maintenance issues. She reiterated that stormwater should receive a high priority because residents experiencing flooding needed assurance that the City was actively working toward solutions.

Mayor Hatem agreed that stormwater remained a significant priority. He also stated that the City needed to maintain sufficient public safety Staff as Southport's daily and seasonal service demands continued to increase.

He compared the City's public safety Staff needs with changes he had observed at Dosher Memorial Hospital, where Staff had increased over time in response to greater service demand even though the underlying permanent population had not grown proportionately.

Mayor Hatem stated that Southport's summers and winters now presented different service demands and that the City needed to maintain a workforce capable of responding to those conditions.

Special Events and Cost Recovery

Alderman Gross discussed Southport's role as an entertainment and event destination for Brunswick County and the surrounding area.

He stated that he supported and personally enjoyed events such as car shows and the Wooden Boat Show but questioned whether event sponsors contributed sufficiently toward the additional City costs generated by those events.

He specifically referenced additional police, fire, EMS, Public Works, cleanup, and related personnel costs and stated that City taxpayers should not bear the full financial burden of events sponsored by outside organizations.

Manager Saldo agreed that additional work was needed to identify and recover the City's true costs associated with special events.

He stated that certain cost-recovery mechanisms already existed for items such as barriers and public safety personnel, although those requirements had not historically been enforced consistently. For events that were not City-sponsored, organizations could arrange and pay for off-duty police officers, fire personnel, or EMS assistance.

Manager Saldo stated that broader policy discussions were needed regarding the City's event ordinance and its relationships with nonprofit and community organizations.

He further stated that Staff was working to identify the actual cost to the City of supporting individual events. Establishing reliable cost figures would allow the Board to evaluate whether events generated sufficient revenue or other benefits and, for non-City-sponsored events, whether the City was at least recovering its direct costs.

Alderman Davis suggested that the City adopt the general principle that events should at minimum avoid creating a financial loss for the City.

She observed that a significant portion of the proposed budget supported services used by visitors as well as residents and questioned how the City should balance its obligations to taxpayers with the costs associated with serving a large visitor population.

Manager Saldo stated that Southport had become a well-known destination and that he did not anticipate visitor numbers declining substantially even if the City reduced promotional activities or special events.

He explained that the City had limited statutory authority to create additional revenue sources. Manager Saldo stated that paid parking represented one revenue mechanism currently available to the City, while other potential revenue sources would require authorization from the General Assembly.

Tourism, Events, and Local Businesses

Alderman Spencer stated that the City had historically encouraged attendance through events such as Winterfest and other community activities and cautioned that the resulting popularity also generated additional municipal costs.

He expressed concern that outside vendors participating in events could earn revenue in Southport without providing the same local economic benefit as established Southport businesses. He suggested that the City reconsider the number and frequency of events and place greater emphasis on supporting existing local businesses.

Alderman Kelley offered a different perspective and stated that local businesses experienced increased customer traffic during events. She also stated that community events contributed to Southport’s quality of life and were enjoyed by residents as well as visitors.

Manager Saldo stated that vendor opportunities were generally open to both local and outside businesses. He noted that the City could consider methods of providing additional support to Southport businesses, including reserving a certain number of vendor spaces for local businesses or establishing reduced registration fees for local participants.

He also stated that the Board could determine whether to limit the number of annual events or reconsider particular events if it wished.

Alderman Spencer discussed the Fourth of July Festival as an event that historically promoted Southport to visitors and stated that the City now hosted events with much greater frequency. He expressed concern that the financial return to Southport through sales and occupancy taxes did not correspond directly with the economic activity generated within the City.

Sales Tax Distribution and Legislative Authority

Alderman Carroll stated that residents could assist the City by communicating with State legislators regarding the distribution of locally generated revenues. He questioned the fairness of the existing sales tax distribution system when municipalities generating substantial commercial activity did not necessarily receive a proportionate share of the resulting revenues.

Alderman Spencer stated that he believed Southport generated substantially more sales tax than the amount ultimately distributed to the City.

Manager Saldo explained that the State's existing accounting system did not provide sufficiently specific information to determine exactly how much sales tax was generated within Southport compared with surrounding municipalities.

Finance Director Joey Kronenwetter discussed the existing distribution methodology and the role of ad valorem values.

Manager Saldo explained that changing the distribution formula could create winners and losers among municipalities and counties. He referenced circumstances in other counties where changes in distribution methodology benefited the county while substantially reducing municipal sales tax revenue.

Manager Saldo suggested that a more effective approach for Southport could involve seeking legislative authority for an additional locally generated revenue source dedicated to the City, potentially including a local sales tax, prepared food and beverage tax, or a tax dedicated specifically to infrastructure or public safety.

Alderman Kelley asked whether any North Carolina municipality currently received such a city-specific tax.

Manager Saldo discussed recent legislation affecting Mecklenburg County that established an additional infrastructure-related sales tax and a transportation authority responsible for distributing the resulting revenues among the County and its municipalities.

He stated that while such revenues were not necessarily returned directly to the precise location where they were generated, the legislation demonstrated that the General Assembly could authorize additional local revenue mechanisms for specified infrastructure purposes.

Manager Saldo suggested that Southport could continue advocating for a similarly dedicated revenue mechanism, particularly one restricted to stormwater, infrastructure, public safety, or other identified capital needs.

Mayor Hatem stated that City officials had discussed these issues with State legislators for several years. He noted that legislators had historically opposed a prepared food or meals tax but were aware that Southport generated substantial commercial activity and sales tax revenue relative to its permanent population.

Mayor Hatem stated that the City had communicated with legislators through meetings, emails, and letters seeking a greater share of the revenues generated within Southport and would continue working through the North Carolina League of Municipalities and other channels to advocate for additional local revenue authority.

Overtime Expenditures

Alderman Gross requested that a future workshop include a detailed discussion of employee overtime.

He stated that Southport had spent approximately $341,000 in overtime during Fiscal Year 2024–2025. He acknowledged that overtime could not be eliminated, particularly for emergency fire, rescue, police, and other essential services, but questioned whether additional strategies could be implemented to control unnecessary overtime.

Alderman Gross requested information from department heads regarding existing practices for managing overtime and stated that overtime costs had been an issue he had followed since serving in an interim finance role in 2023.

Manager Saldo acknowledged the request and stated that the matter could be addressed during subsequent budget discussions.

Regional Service Population

Alderman Mosteller stated that one of Southport's principal challenges was the large number of people from neighboring communities who entered the City each day to use restaurants, shops, entertainment establishments, and other services.

She stated that Southport functioned as a service center for a much larger regional population than its permanent population would suggest and that the City had limited options for managing the resulting costs without additional revenue authority.

Alderman Kelley suggested referring to many of these visitors as "day trippers" rather than tourists and noted that overnight visitors contributed occupancy tax revenues.

Discussion followed regarding the relationship between Southport's visitors, neighboring communities, local businesses, and the City's economy.

Alderman Kelley shared an example from her family's business experience, explaining that participation in the Fourth of July Festival had eventually contributed to the business establishing a permanent storefront in Southport. She stated that downtown Southport's business environment had changed substantially over time.

Mayor Hatem stated that Southport's business community was strong and continued to grow. He referenced recent commercial development and stated that people were attracted to Southport because of its quality of life, restaurants, businesses, and community character.

He stated that many municipalities did not enjoy a similarly robust business community and suggested that Southport should recognize the benefits of its popularity while continuing to address the associated costs.

Level of Municipal Services

Alderman Carroll stated that budgeting required the Board to balance competing expectations. He referenced the four broad priorities identified by Mayor Hatem at the beginning of the workshop and stated that while those priorities were difficult to dispute in principle, each required funding.

He observed that the Board simultaneously heard requests to avoid tax increases and reduce spending while also receiving strong public support for police, fire, EMS, planning and development regulation, Public Works, parks and recreation, and other City programs.

Alderman Carroll stated that Southport's appearance and quality of life depended upon the work of City employees and cited early-morning Public Works activities, including street sweeping and maintenance, as examples of services that residents might take for granted.

He also discussed the value of Fire and EMS services and referenced the Fire Department's ISO rating as an example of a municipal service that could produce broader benefits for property owners.

Alderman Carroll stated that individual residents might not personally use every City program, such as before- and after-school programming, but those programs could still provide a community-wide benefit.

Manager Saldo stated that the fundamental budget decision involved determining the level of municipal services the Board wished to provide.

He explained that significant expenditure reductions would ultimately require reducing or eliminating services or programs. The Board could choose to reduce events, parks and recreation services, or other functions, but such decisions would represent policy choices regarding the level of government services expected in Southport.

Manager Saldo stated that the proposed budget generally maintained the level of services historically provided by the City while addressing increased costs and service demands.

Alderman Gross complimented Manager Saldo and Finance Director Kronenwetter on the budget presentation and the amount of supporting data provided. He stated that the information would be useful as the Board continued its detailed budget review.

Code Enforcement

Alderman Spencer requested clarification regarding the proposed elimination of the internal code enforcement position and asked whether the City would retain its outside code enforcement contractor.

Manager Saldo confirmed that the outside contractor would remain. He stated that the contractor had indicated an ability to absorb the additional workload and that the proposed change was intended to reduce personnel costs while maintaining code enforcement services.

Discussion followed regarding the internal position and the potential effect on the outside contract. Manager Saldo stated that Staff was continuing discussions with the contractor concerning the level of service and the resulting contract requirements.

Additional Budget Workshops and Adoption Schedule

Manager Saldo discussed scheduling additional departmental budget workshops so the Board could conduct the detailed review requested by several members.

He suggested dividing the departmental discussions among multiple days rather than attempting to complete the entire review in a single all-day meeting.

Alderman Carroll asked whether the Board could determine whether it intended to adopt the budget at the June 11 regular meeting.

Alderman Davis stated that she preferred to conduct the public hearing on June 11 and allow the Board additional time afterward to consider public comments before voting on adoption. She anticipated that the public hearing could produce additional questions and suggestions that the Board should have an opportunity to evaluate.

The Board discussed member availability and potential meeting dates.

Mayor Hatem stated that the Board could conduct departmental workshops on June 4 and June 5, schedule an additional workshop if necessary, conduct the required public hearing on June 11, and consider final adoption at a subsequent special meeting.

Manager Saldo summarized the anticipated budget schedule as follows:

• June 4, 2026, at 1:00 p.m. – Budget Workshop;

• June 5, 2026, at 9:00 a.m. – Budget Workshop;

• June 8, 2026, at 9:00 a.m. – Additional Budget Workshop, if needed;

• June 11, 2026 – Public Hearing on the proposed Fiscal Year 2026–2027 Budget; and

• June 17, 2026, at 1:00 p.m. – Special Meeting for consideration of final budget adoption.

E. Adjourn

A motion was made by Alderman Carroll and seconded by Alderman Kelley to adjourn.

The motion carried unanimously.

The meeting was adjourned at 10:34 am.

Dr. Joseph P Hatem,
Mayor

Attest:

Scott Baillargeon, Deputy Clerk

CITY OF SOUTHPORT
BOARD OF ALDERMEN
SPECIAL MEETING
INDIAN TRAIL MEETING HALL
113 W. MOORE ST, SOUTHPORT NC 28461
June 4, 2026 | 1:00 PM

Present Members:
Mayor Joseph Hatem, M.D.
Alderman Paul Gross
Alderman Marc Spencer
Alderman Rebecca Kelley
Alderman Lowe Davis
Alderman Robert Carroll
Mayor Pro-Tem Karen Mosteller
Absent Members:

Staff Present:
Noah Saldo, City Manager
Tori Deviney, City Clerk
ChyAnn Ketchum, Public Information Officer
Joey Kronenwetter, Finance Director
Michael McGee, Parks and Rec Maintenance Supervisor
Kiley Barefoot, Chief Building Inspector
Jessie Labell, Assistant Community Relations Director
Karen Martin, Building and Events Coordinator
Gianna Vassallo, Building and Events Specialist

Others Present:

Minutes

A. Call to Order

Mayor Hatem called the meeting to order at 1:00 p.m.

B. Invocation

The invocation was provided by Alderman Lowe Davis.

C. Pledge of Allegiance

Mayor Hatem led everyone in the Pledge of Allegiance.

D. Agenda

1. Budget Workshop
   City Manager Noah Saldo

   - Board / Administration / Finance
   - Parks & Recreation
   - Community Relations
   - Planning
   - Permitting & Inspections

Board / Administration / Finance

Mayor Hatem opened the budget workshop by emphasizing the City's continued commitment to efficiency, excellence, and fiscal restraint while maintaining a responsible tax rate. He stated that the City's budgetary priorities continue to support public safety, public health, emergency preparedness, environmental stewardship, preservation of Southport's historic heritage and unique neighborhoods and village atmosphere, maintenance and improvement of infrastructure, and enhancement of residents' quality of life.

Mayor Hatem reflected on major infrastructure priorities addressed during his first term, including waterfront stabilization and water and sewer regionalization. He stated that the City's current infrastructure priorities include stormwater improvements and paving of City roads. He noted that engineering estimates indicate approximately $30 million would be required to replace existing infrastructure and approximately $60 million to construct the infrastructure needed to meet the City's needs, emphasizing the importance of identifying funding sources for these projects.

Mayor Hatem also discussed the City's ongoing evaluation of emergency services. He stated that the City is in discussions with Brunswick County regarding the possibility of the County providing certain emergency services to Southport. He noted that the City is evaluating factors including response times, potential cost savings, and the overall impact of such an arrangement. The Mayor further stated that he had discussed the matter with Representative Charlie Miller, who expressed agreement with exploring the proposal.

Mayor Hatem thanked City Staff and department representatives for their work in preparing the budget and thanked the Board for its participation and expertise. He then turned the meeting over to the City Manager for departmental presentations and Board discussion.

City Manager Noah Saldo welcomed the Board to the second budget workshop and explained that departmental presentations would be divided between the current workshop and the following day. Department heads and supporting Staff would be available during each presentation to answer questions regarding their respective departmental budgets.

City Manager Saldo asked the Board to address proposed departmental adjustments during the presentation and discussion of the applicable department whenever practicable. He explained that this approach would allow Staff and the Board to track proposed changes efficiently and reduce the need to revisit individual departmental budgets later in the process. Broader adjustments affecting the overall budget could be considered after completion of the departmental presentations.

City Manager Saldo stated that additional opportunities remained for the Board to review and adjust the proposed budget prior to final adoption. He noted that an additional budget workshop could be scheduled for the following week, if needed, based on the Board's progress during the current workshops. He further stated that a public hearing was scheduled for the following Thursday's regular meeting, with final budget adoption anticipated for the 17th.

City Manager Saldo invited the Board to raise any overarching questions, concerns, or recommendations regarding the proposed budget before proceeding with the individual departmental presentations.

Alderman Gross stated that the Board has a fiduciary responsibility to act in the best interests of the public through transparency, accountability, and ethical decision-making. He provided several budgetary trends and comparisons for the Board's consideration.

Alderman Gross stated that Southport's General Fund increased approximately 19.6% from 2016 to 2021 and approximately 89.9% from 2021 to 2026, while the City's population increased approximately 8% from 2021 to 2025. He further stated that per-capita spending increased approximately 51% over the past five years, from $2,261 to $3,410. By comparison, he cited increases of approximately 15% for the Eastern North Carolina average and Oak Island. Based on these trends, Alderman Gross expressed his view that the City faced a spending issue rather than a revenue issue.

Citing annual survey information from the North Carolina League of Municipalities, Alderman Gross compared Southport with similarly sized Brunswick County municipalities. He stated that Shallotte, with a population of approximately 4,347, had 62 full-time equivalent (FTE) employees; Sunset Beach, with a population of approximately 4,300, had 60 FTEs; and Southport, with a population of approximately 4,226, had 84 FTEs. He also compared General Fund expenditures, citing approximately $9.74 million for Shallotte, $12.2 million for Sunset Beach, and $15.1 million for Southport. He acknowledged that differences exist among the communities and offered the figures as general trends and comparisons for the Board's consideration.

Alderman Gross also discussed municipal property tax rates within Brunswick County. He stated that, excluding Bald Head Island, Southport and Shallotte were among the municipalities with the highest rates, at approximately $0.31 per $100 of assessed valuation, while other municipalities were at or below approximately $0.27.

Alderman Gross stated that all aspects of the proposed budget should remain open for discussion during the workshops. He expressed confidence that the Board could develop a budget that continued appropriate services for Southport residents while also protecting taxpayers and fulfilling the Board's fiduciary responsibilities.

Alderman Mosteller commented on the municipal comparisons presented by Alderman Gross and emphasized the importance of considering differences in each municipality's overall financial structure. She noted that Oak Island has more than four times Southport's assessed property valuation, receives approximately twice as much local-option sales tax revenue, and receives substantially greater occupancy tax revenue. She stated that comparisons based on individual financial measures could be misleading when considered in isolation and agreed that the Board should take a holistic approach when evaluating the proposed budget.

Alderman Gross agreed with taking a holistic approach and stated that he believed there remained opportunities for improvement within the City Manager's recommended budget.

Mayor Hatem commented that some of the comparisons could be considered biased. Alderman Kelley responded that comparisons generally involve some degree of bias.

Alderman Kelley noted there were no apples-to-apples comparisons.

City Manager Saldo then introduced the budgets for the Board of Aldermen, Administration, and Finance, explaining that the departments had been grouped together due to their related functions. He invited questions and recommendations from the Board.

Alderman Mosteller asked about an approximately $3,500 difference in the salary line item within the Board's budget.

Manager Saldo clarified that the amount did not represent a proposed salary increase for members of the Board and explained that it resulted from the payroll software applying employee compensation adjustments to Board members within the system.

Finance Director Kronenwetter further explained that Board members are recognized as FTEs within the payroll system for tracking purposes and that the system automatically applied the adjustment. He stated that the $500 merit bonus had also been automatically applied, contributing to the difference in the salary line item, and advised that the amount would be corrected.

Alderman Carroll asked whether members of the Board were included in the City's reported FTE count.

Finance Director Kronenwetter clarified that Board members were excluded from the FTE counts presented in the departmental budget charts. He explained that Board members are classified as FTEs within the payroll system solely for payroll tracking purposes and are not included in the City's reported employee FTE totals.

Alderman Gross expressed concern regarding the level of detail provided within the City's chart of accounts, particularly the grouping of multiple employee compensation programs under salary line items. He identified regular salaries, Christmas bonuses, on-call pay, and longevity pay as examples of expenditures that may be included within the broader salary category.

Alderman Gross requested that these expenditures be presented separately to provide the Board and taxpayers with greater transparency regarding the components of employee compensation. He clarified that his request was intended to improve transparency and was not a criticism of the individual compensation programs.

City Manager Saldo stated that Staff could provide a more detailed breakdown of the expenditures included within the salary line items. He explained that the City's chart of accounts follows guidance from the Local Government

Commission (LGC) and that the additional detail would not translate directly into the budget ordinance, which establishes spending authority at the fund level.

Manager Saldo stated that Staff could provide the Board with a supplemental document showing the individual components included within the applicable line items to provide greater detail and transparency.

Alderman Gross stated that he had several budget items for the Board's consideration and clarified that he was raising them for discussion rather than requesting immediate action.

Alderman Gross expressed support for the City Manager's proposal to provide merit increases in the form of bonuses rather than additions to employees' base salaries. He stated that using bonuses would avoid compounding future personnel costs associated with increases to base salaries, including certain retirement and 401(k) contributions. He noted that bonus-based compensation is also utilized within the State system.

Alderman Gross then discussed rising healthcare costs as an ongoing concern for state and local governments. For comparison, he cited employee health insurance contributions under plans available to teachers and State employees, stating that monthly employee premiums ranged from approximately \$35 to \$80 under a 70/30 plan and approximately \$66 to \$160 under a plan comparable to an 80/20 plan.

Alderman Gross also reviewed retirement and supplemental retirement contributions for City employees. He stated that employees contribute 6% of salary to the Local Governmental Employees' Retirement System (LGERS). He further stated that the City is required to contribute approximately 14.35% for general employees and 16.10% for law enforcement employees. He noted that the City also participates in a 401(k) program through which the City contributes an additional 5%, without requiring an employee match.

Alderman Davis asked for clarification regarding the City's employee benefit contributions, specifically how much flexibility the City has in determining those contributions and which contributions are required.

In response to Alderman Davis, Alderman Gross stated that the City's contributions to the Local Governmental Employees' Retirement System (LGERS) are mandatory, with contribution rates established by the State through the retirement system's Board of Trustees.

Alderman Gross explained that the City's 401(k) program is voluntary and that municipalities have discretion regarding participation and program structure. Citing information from the North Carolina League of Municipalities, he noted that many municipalities contribute to employee 401(k) programs, with some requiring an employee match and others, including Southport, providing contributions without an employee match.

Alderman Gross further identified the City's longevity program and certain on-call compensation as discretionary programs. He summarized the distinction as LGERS contributions being required, while the 401(k), longevity, and applicable on-call pay programs are established at the City's discretion.

Alderman Mosteller requested additional detail regarding contract services line items throughout the proposed budget. She noted that several departments showed differences between current year-to-date expenditures and proposed appropriations for contract services.

As an example, Alderman Mosteller referenced the Board's budget, noting approximately $95,000 in year-to-date expenditures compared with approximately $140,000 proposed. She requested a breakdown of the expenditures included within contract services to assist the Board in understanding the basis for the proposed amounts.

Finance Director Kronenwetter stated that the City's financial system now contains itemized information for the majority of contractual services across departments and advised that he would compile the information for the Board's Monday budget workshop. He explained that prior budgeting methods made compiling this information more difficult, although the expenditures were tracked. The current system allows Staff to enter and maintain contract information, including recurring contracts that carry forward from year to year.

Alderman Mosteller stated that having the itemized contractual-services information would be helpful to the Board during its budget review.

Finance Director Kronenwetter explained that the current financial system allows Staff to compile contractual-service information by department and carry recurring contracts forward from year to year. He stated that Staff would provide the requested information to the Board.

Alderman Carroll noted that the proposed budget did not include a contribution to Southport Elementary School and stated that the City had not yet provided its contribution for the current cycle.

Alderman Mosteller stated that there were several issues involved with the contribution and suggested there may be fewer concerns if the contribution were made directly to the school.

Alderman Carroll agreed and referenced the legal considerations involved.

Alderman Davis questioned whether the contribution would need to be made through the County.

Finance Director Kronenwetter stated that the UNC School of Government had advised that a contribution could be made directly to a school fund. He explained that providing funds to Brunswick County Schools generally could make the matter more complicated. He further stated that the City had been advised against making a donation through the PTA and that he had discussed alternative approaches with a School of Government representative.

Alderman Carroll asked why the City had yet to issue the contribution for the current cycle.

City Manager Saldo explained that questions concerning the contribution had arisen midway through the fiscal year and had since been addressed. He stated that the matter now depended upon whether the Board wished to make the contribution and, if so, to whom the Board wished the payment made.

Alderman Gross stated that a legal opinion from the UNC School of Government advised that the City could not donate funds to a private organization and explained that the Southport Elementary PTA was considered a private organization. He agreed with Finance Director Kronenwetter that there were alternative options for providing the contribution within the applicable statutory requirements. Alderman Gross asked how the contribution had been budgeted in the prior year and whether it had previously been designated for the PTA.

Finance Director Kronenwetter confirmed that the prior contribution had been intended for the PTA.

Alderman Carroll stated that the City had received incorrect information previously and that the intention had been to make the contribution again during the current cycle or provide it directly to the school.

City Manager Saldo responded to the discussion regarding the timing and intended recipient of the contribution.

Alderman Gross noted that the Board had adopted the budget before receiving the subsequent legal guidance regarding contributions to the PTA.

Finance Director Kronenwetter explained that the City had budgeted $10,000 in the prior year with the intention of providing the funds to the PTA. He stated that the City received additional guidance afterward and that the $10,000 remained appropriated for an allowable donation.

Alderman Davis asked whether the contribution was tied to a donation from the ABC Board and noted that the amount of any such contribution had yet to be determined.

Alderman Carroll stated that the funds received by the City would go into the General Fund.

City Manager Saldo responded regarding how the funds would be treated within the budget.

Finance Director Kronenwetter explained that revenues could be used to offset expenditures, but there was no specific incoming cash that could be directly tied to a particular outgoing appropriation.

Alderman Carroll asked whether the Board wished to use the funds appropriated in the current fiscal year and whether it intended to continue the contribution in future budgets. He requested that the Board reach a consensus regarding the currently appropriated funds, including whether to leave them unspent and determine an approach moving forward. He noted that the proposed FY 2026–2027 budget included a $10,000 donation and asked whether that represented the Board's direction moving forward and, separately, what the Board intended to do with the funds appropriated for FY 2025–2026.

City Manager Saldo explained that the Board could take straw votes during the budget discussion to determine its general direction, while the Board would become formally bound by its decisions upon adoption of the budget ordinance.

Alderman Carroll asked whether the Board wished to retain the currently unspent funds rather than make the contribution. The Board reached consensus to retain the funds.

Alderman Mosteller asked whether the funds could instead be considered as part of the upcoming Parks and Recreation discussion.

Finance Director Kronenwetter explained that the adopted budget ordinance authorized transfers between General Fund line items and that the $10,000 currently appropriated in the donations line could be transferred to another General Fund line item.

Alderman Spencer stated that the Board needed to address Parks and Recreation funding.

Alderman Kelley noted that the City was no longer receiving certain donations that had previously been available to support other purposes and referenced the City's current financial constraints.

Alderman Spencer stated that, while attending a funeral the previous day, a member of the Board of Education had discussed seeking the City's support for the school bond.

Alderman Davis discussed the financial demands facing taxpayers and emphasized the importance of distinguishing between necessary expenditures and desired expenditures. She expressed support for schools and teachers while questioning whether the City should provide the contribution given its own spending obligations.

Alderman Carroll stated his understanding that the Board had agreed to discontinue the contribution.

Alderman Davis stated that she understood the discussion to involve potentially redirecting the funds to Parks and Recreation, with the specific use to be determined.

City Manager Saldo clarified that Parks and Recreation funding would be addressed separately later in the budget discussion. He stated that the $10,000 would remain in the General Fund balance for the current fiscal year.

Alderman Carroll confirmed that the funds would return to the General Fund.

Finance Director Kronenwetter confirmed that the funds would return to the General Fund and could subsequently be appropriated through the new budget upon its adoption.

Alderman Gross raised concerns regarding City overtime expenditures. He stated that a report he requested in January showed approximately $321,000 in overtime expenditures during FY 2024–2025. He noted that 14 City employees earned between approximately $10,000 and $21,000 in overtime, while 51 additional employees earned less than $10,000 in overtime. He further stated that 13 of the 14 employees receiving $10,000 or more in overtime worked in Fire and Rescue. Alderman Gross acknowledged that emergency services inherently require some overtime and asked City Manager Saldo to explain his review of overtime expenditures, any adjustments that had been made, and efforts to better control overtime costs.

City Manager Saldo stated that Finance Director Kronenwetter had conducted a detailed analysis of City overtime. He explained that a substantial portion of overtime was legitimate and associated with emergency-service calls. He stated that adjustments could be made moving forward, including revisions to the personnel policy and changes to the payroll system to ensure that reported overtime reflected actual overtime hours.

Finance Director Kronenwetter stated that he was reviewing every pay period for each hourly employee for the current fiscal year to determine the nature of overtime expenditures. He explained that some overtime was scheduled or unavoidable due to Fire and Rescue employees working 24-hour shifts. He stated that certain administrative employees who historically accumulated small amounts of overtime were being moved to exempt, salaried status. He further stated that a proposed Finance Policy Manual would include a payroll policy requiring supervisory justification for employee overtime.

City Manager Saldo discussed the use of scheduling adjustments to reduce overtime expenditures. He cited Public Services Director Tom Stanley’s practice of adjusting employee schedules when overtime was anticipated, such as allowing an employee to leave early at another point during the workweek to offset additional hours.

Alderman Gross discussed allowing employees to flex their schedules when additional hours were worked earlier in the week, thereby allowing time off later in the week and reducing overtime payments.

Alderman Carroll asked about the Board’s travel and training expenditures, noting that year-to-date actual expenditures were approximately $2,700 above the budgeted amount and questioned the proposed funding level for the upcoming fiscal year.

City Manager Saldo stated that relatively few Board members had historically taken advantage of travel and training opportunities. He explained that the proposed amount reflected consideration of current year-to-date expenditures, the existing budget, and anticipated Board participation in travel and training during the next fiscal year.

Alderman Carroll noted that more Board members had attended CityVision than in previous years. He stated that year-to-date travel and training expenditures were approximately $5,690 compared with a $3,000 budget and questioned why the proposed budget for the upcoming fiscal year remained at $3,000.

Alderman Spencer noted that Board participation in training had increased and agreed that the proposed travel and training allocation should be increased.

Alderman Carroll clarified that, given actual expenditures of approximately $5,690, the proposed budget should be equal to or greater than the current expenditure level.

Finance Director Kronenwetter stated that the proposed allocation could be increased.

City Manager Saldo agreed that an increase was reasonable given the current year's expenditures. He noted that the current level of Board participation represented an increase from historical trends and stated that Staff could increase or potentially double the allocation based on the Board's direction.

Alderman Spencer commented positively on having multiple Board members attend training opportunities together rather than attending individually.

Alderman Davis asked whether the Board had reached a tentative conclusion regarding the travel and training allocation or whether the matter would be discussed again later.

Alderman Carroll explained that the FY 2025–2026 budget included $3,000 for Board travel and training, while actual expenditures were approaching $6,000. He stated that the proposed budget again included $3,000 and recommended budgeting an amount that more accurately reflected anticipated expenditures.

Alderman Davis asked whether the Board supported Alderman Carroll's recommendation regarding the travel and training allocation.

City Manager Saldo explained that any increase in expenditures would need to be offset by additional revenue or another funding source. Using a $3,000 increase as an example, he stated that the Board could consider additional revenue, taxes, or fund balance. He advised that Staff would track the proposed adjustments and return with funding options after the Board completed its review, particularly for larger adjustments.

Alderman Spencer suggested that the previously discussed school contribution funds could potentially provide funding for the adjustment.

Alderman Carroll emphasized the importance of using realistic budget estimates. He stated that a balanced budget could be achieved easily by using unrealistic figures, but encouraged the Board to develop a budget based on realistic expectations and anticipated expenditures.

Alderman Gross discussed the number of parades and special events held in the City and expressed support for continuing them. He recommended ensuring that the City receives reimbursement for municipal resources provided to events for which the City is not a sponsor, including services provided by Police, Fire and Rescue, and Public Services. He stated that the goal should be to recover the City's actual costs rather than generate a profit from the events.

Alderman Spencer discussed the financial risks associated with special events and suggested that reducing events could provide a more certain means of controlling costs. He referenced Christmas and Fourth of July events as exceptions.

Alderman Carroll moved to the Professional Fees budget line item and raised a similar concern regarding the relationship between budgeted and actual expenditures. He stated that approximately $36,110 had been budgeted for the current fiscal year, while actual expenditures were approximately $74,904, and questioned why the proposed budget included approximately $38,000.

City Manager Saldo asked Alderman Carroll to identify the applicable budget page.

Alderman Carroll identified the relevant page and continued his discussion of the Professional Fees line item.

Finance Director Kronenwetter explained that the Board's Professional Fees line item generally covers the City's audit expenses. He stated that he would review the invoices charged to the line item because some expenses may have been coded there that belonged elsewhere. He advised that the proposed $38,000 represented the anticipated audit cost with the City's new auditing firm.

City Manager Saldo stated that certain specialized attorney expenses may have been charged to the Professional Fees line item and referenced the contractual services expenditures discussed earlier. He explained that Staff was reconciling the current fiscal year's expenditures and confirmed that the proposed $38,000 represented the anticipated audit cost for FY 2026.

Alderman Carroll asked whether account 50-3010 represented the City's audit expense.

Finance Director Kronenwetter confirmed that the line item was for the audit.

Alderman Mosteller returned to the revenue section on page 34 and asked about year-to-date transfers from other funds, including transfers of approximately $15,000 and $10,000.

Finance Director Kronenwetter confirmed that Alderman Mosteller was reviewing the revenue section and asked which specific account he was referencing. After clarification, he explained that transfers from other funds represented transfers from the Electric Fund to cover personnel costs associated with employees who provide support to that fund.

City Manager Saldo explained that transfers from the Electric Fund to the General Fund primarily reimburse personnel and administrative costs attributable to services provided to the Electric Fund. He stated that it was more appropriate for those costs to be reflected within the departments providing the services.

Finance Director Kronenwetter clarified that the transfers were associated with specific administrative functions supporting the Electric Fund, including Finance, payroll/accounts payable, the City Manager, and Human Resources.

Alderman Gross stated that such transfers were common and referenced similar practices during his service as Interim Finance Director in 2023. He emphasized that the transfers should be justified and supported by documentation for audit purposes to ensure appropriate separation between Enterprise Fund and General Fund monies. He then asked about two line-item decreases, from approximately $150,000 to zero and $73,000 to zero, in accounts 53032 and 53033.

City Manager Saldo explained that the approximately $73,000 amount represented the cemetery mowing contract associated with Public Works. He stated that the other expenditure related to facilities had been moved to the capital section and that the cost would therefore appear elsewhere in the budget.

Alderman Carroll requested that the Board proceed through the budget items one at a time.

Mayor Hatem directed that questions remain related to the budget section currently under review and that the Board address one topic at a time. He then asked whether there were additional questions regarding the Board budget.

Alderman Carroll questioned the proposed Department Supplies allocation. He noted that the FY 2025–2026 budget included $6,000, year-to-date expenditures were approximately $4,816, and the proposed budget reduced the amount to $3,500. He asked whether the proposed amount was realistic.

Alderman Carroll and Alderman Spencer clarified that the discussion concerned the Board budget and expenses such as printing and related items.

City Manager Saldo stated that the Board itself had relatively limited direct expenditures from the line item.

Alderman Carroll reiterated his concern that the proposed $3,500 allocation was below both the current $6,000 budget and year-to-date expenditures.

City Manager Saldo explained that reducing expenditures required tightening individual budget lines, even where current-year spending had exceeded the proposed amount. He stated that Staff could review the expenses charged to the line item to determine what had contributed to the current-year total, including possible retreat or event-related expenses.

Finance Director Kronenwetter explained that the Department Supplies line item typically includes breakfast items for early meetings, plaques for various boards, and supplies associated with City boards and committees. He noted that recent appointments to bodies such as the Planning Board and Board of Adjustment required new nameplates. He further explained that, for City departments generally, supplies include items such as paper, envelopes, and mailings.

City Manager Saldo acknowledged the examples provided by Finance Director Kronenwetter.

Alderman Gross suggested eliminating breakfast expenses.

Alderman Davis reiterated his concern regarding the use of City funds to provide meals for Board members.

Alderman Carroll stated that the food expenses were primarily intended for Staff members who attend and support the meetings rather than Board members. He expressed support for continuing to provide meals for Staff attending those meetings.

Alderman Kelley asked whether the election expense was associated with a 2027 primary.

City Manager Saldo explained that the City would have no election expense in FY 2026–2027. He stated that the next municipal election would occur during the following calendar year and would therefore be budgeted in FY 2027–2028.

Finance Director Kronenwetter explained that the election expense represents the fee paid to Brunswick County to administer the City's municipal elections. He clarified that the County bears the costs of County elections, while the City incurs the expense when municipal offices, including the Mayor and Board of Aldermen, are on the ballot.

Mayor Hatem asked whether there were any additional questions regarding Board Administration.

Alderman Carroll asked about account 60001, Capital Outlay – Equipment, noting that no funds had been budgeted for the line item while actual expenditures were approximately $50,000.

Finance Director Kronenwetter explained that the approximately $50,000 expenditure was associated with the weather tower and was offset by donations received for the project. He stated that the donations had been received in prior years and held in a liability account. With the weather tower now fully paid for, he stated that a budget amendment could be prepared to properly account for the expenditure and indicated that he could place the amendment on the following week's agenda.

Mayor Hatem stated that the City might receive additional contributions and noted that one remaining project expense, a plaque, still needed to be paid.

Alderman Mosteller asked about the transfers from other funds shown on page 37. She noted that approximately $153,000 had been budgeted, with approximately $118,000 used year to date, while the proposed budget showed zero. She asked whether those funds represented transfers from the Electric Fund and why the proposed amount had been removed.

Alderman Carroll and Alderman Davis acknowledged that the question related to the same interfund transfer issue discussed previously.

Finance Director Kronenwetter confirmed that the amounts were included within the overall General Fund transfers. He explained that Staff would allocate the appropriate percentages for salary and Staffing costs among the departments receiving support from the Electric Fund.

City Manager Saldo explained that the final budget ordinance would show the total General Fund transfer and total General Fund expenditures. He stated that, within the City's accounting system, Staff would allocate the transferred funds among the appropriate departments, making it unnecessary to show the transfer separately within that particular departmental budget.

Alderman Spencer asked whether the FY 2024–2025 actual expenditures for full-time salaries reflected the Staffing levels in place during that budget year.

City Manager Saldo stated that the current salary expenditures were consistent with expectations for this point in the fiscal year. He noted that expenditures remained within budget and that May and June expenses still needed to be closed out.

Alderman Carroll asked for clarification regarding the proposed full-time salary amount of $574,784 and the positions included in that figure.

City Manager Saldo stated that the amount included the City Manager, City Clerk, Deputy City Clerk, Human Resources Director, and Public Information Officer. He added that the City Engineer was also reflected in the budget based on the maximum amount of his contract.

Alderman Davis asked whether the City still had two administrative positions.

City Manager Saldo confirmed that one position was assigned to Administration and the other to Public Works.

Alderman Gross expressed appreciation for the City's engineers, noting that he had worked with both during his time with the City and considered them excellent.

Mayor Hatem stated that the City had recognized the need for an engineer and that filling the position had taken some time.

Alderman Davis asked whether part-time employees receive benefits.

City Manager Saldo confirmed that part-time employees do not receive benefits.

Alderman Mosteller asked about the Contracted Services line item, noting the difference between the current-year budget and expenditures.

City Manager Saldo noted that the difference resulted from expenses previously being divided among different budget areas.

Finance Director Kronenwetter confirmed and explained that the line included certain fees that had previously been allocated differently.

City Manager Saldo explained that attorney expenses had previously been divided between Administration and the Board of Aldermen budget. Those expenses had now been consolidated under the Board budget, accounting for the reduction in the Administration line item while the underlying expense remained elsewhere in the budget.

Alderman Carroll asked what expenses were included in the approximately $269,000 proposed allocation.

City Manager Saldo stated that the allocation included software expenses such as the City website, Clerk management software, the notification system, and other general City software.

Alderman Kelley asked why the Emergency Preparedness line item had been eliminated.

City Manager Saldo explained that the line had historically been used for emergency-related expenses such as meals and lodging. He stated that such expenses were difficult to predict and could be incurred as emergencies arose, with eligible costs potentially reimbursed by FEMA. He explained that maintaining a separate budgeted amount was therefore unnecessary.

Finance Director Kronenwetter added that part of the current-year allocation had also anticipated expenses associated with the license plate initiative, which had taken longer than anticipated.

Alderman Carroll asked whether the principal payment shown in the budget represented the City's portion of the Fire Department debt.

City Manager Saldo confirmed.

Alderman Gross clarified that the $105,400 debt-service amount was associated with the fire station.

City Manager Saldo confirmed and explained that the original loan had been structured with one portion of the payment assigned to Administration and another to the Fire Department.

Finance Director Kronenwetter stated that the total annual payment was approximately $210,800, divided equally between the two budget areas. He explained that when the loan was obtained around 2007–2008, the arrangement provided for the City to cover half of the cost outside of Fire Department revenues.

City Manager Saldo suggested that the arrangement may have reflected the organizational structure of the Fire Department at the time the loan was obtained.

Alderman Mosteller asked about the Professional Services line item, account 53011, and the reduction from the current-year budget.

Finance Director Kronenwetter explained that the higher current-year amount included one-time software implementation expenses. He stated that the City had also attempted a payroll software change that was ultimately discontinued, resulting in an unforeseen contract termination fee. He explained that those implementation and termination costs would not recur and that the proposed budget reflected primarily the annual software cost, approximately $127,000, rather than the additional one-time implementation expenses.

Alderman Carroll asked whether the Finance Department currently had five employees.

Finance Director Kronenwetter confirmed that the Finance Department had five employees.

Alderman Davis asked about the cost associated with terminating the payroll software contract discussed previously.

City Manager Saldo clarified that the terminated contract involved the payroll system and that the City continued to use the accounting and budgeting system provided by the vendor. He stated that Finance Director Kronenwetter could provide the cost associated with terminating the payroll portion of the contract.

Finance Director Kronenwetter stated that he would need to verify the exact invoice but believed the negotiated contract buyout was approximately $50,000.

Alderman Gross noted that salaries within the Finance Department were increasing by approximately $34,000 across five employees, or approximately $6,800 per employee. He asked whether the increase reflected factors such as cost-of-living adjustments, merit increases, and longevity.

Finance Director Kronenwetter confirmed and explained that the Finance Department was now fully Staffed. He stated that the department had operated without a payroll Staff member for approximately six months and that Contracted Services funds had been used for a temporary employee while another employee was on maternity leave and to assist with departmental responsibilities. He added that he personally handled payroll during the first six months of the fiscal year and expressed appreciation that the department was now fully Staffed.

Alderman Gross thanked Finance Director Kronenwetter.

Mayor Hatem concluded the discussion and moved the Board to the Parks and Recreation budget.

Parks & Recreation
Alderman Mosteller asked about a $10,000 contribution the City had received, noting that she could not locate it within the budget document.

City Manager Saldo explained that the $10,000 would fall into fund balance at the end of the current fiscal year and would be reappropriated through the FY 2026–2027 budget ordinance.

Alderman Spencer acknowledged the explanation.

City Manager Saldo reiterated that the funds would be accounted for in the new budget ordinance.

Alderman Mosteller discussed several Parks and Recreation maintenance needs. She referenced a recent study concerning trees at Franklin Square Park and stated that the recommended work was estimated at approximately $12,845. She suggested applying the $10,000 toward that work, with only a relatively small additional amount required. She also discussed continued soil remediation and mulching at Franklin Square Park and questioned whether mulch might again be donated, leaving the City responsible for delivery costs. Alderman Mosteller identified additional maintenance needs at Lowe-White Memorial Park, including the tennis courts, basketball court, and deteriorating paths. She emphasized that delaying maintenance could result in increased costs.

Alderman Carroll asked whether Public Works could perform any of the needed repairs to the paths at Lowe-White Memorial Park.

Alderman Davis asked for clarification regarding which paths were being discussed.

Alderman Carroll clarified the location, referencing the Brown Street area.

Alderman Davis noted that the City continued to have a broader goal of acquiring the necessary pieces of property to establish a path connecting the area near the Lowe-White Memorial Park to Taylor Field. She distinguished that longer-term goal from the maintenance issues currently under discussion.

Alderman Mosteller agreed regarding the broader need but clarified that her immediate concern was maintenance of the park facilities and infrastructure the City already had.

Alderman Carroll noted that portions of the asphalt paths were deteriorating and asked whether City Staff could perform some of the necessary repairs.

Alderman Mosteller identified additional Parks and Recreation maintenance needs, including the overlook, dog park, and gym floor. She stated that the City had numerous Parks and Recreation needs that could potentially be addressed with the available $50,000.

City Manager Saldo explained that the budget also included approximately $42,000 under Facilities that could be used for General Fund facilities and park-related maintenance, including mulching. He clarified that these funds were available in addition to the $50,000 being discussed.

Alderman Carroll referenced account 53032.

Alderman Davis asked whether the approximately $42,000 was designated specifically for parks maintenance.

Finance Director Kronenwetter stated that the funds were budgeted within the General Fund.

City Manager Saldo clarified that the funding could be used for parks and buildings.

Finance Director Kronenwetter stated that the funds could potentially be used for projects such as the gym floor or asphalt repairs within the parks, in addition to the $50,000 previously discussed.

Alderman Davis asked whether the discussion included buildings overseen by Parks and Recreation.

City Manager Saldo clarified that the funding applied to parks and buildings.

Alderman Kelley raised a concern regarding an informal path that pedestrians had created from the pier toward the waterfront sidewalk rather than using the existing sidewalk.

Alderman Mosteller thanked Alderman Kelley for raising the issue and stated that members of the Beautification Committee had also repeatedly brought it to her attention. She noted that the area had become slippery and needed to be addressed.

Alderman Davis returned to the City's longer-term goal of establishing a continuous path from Lowe-White Memorial Park to Kingsley Park. She stated that Brunswick County was considering condemnation of property associated with the pump station on East Moore Street, between East Moore Street and Taylor Field. She suggested determining the County's plans and exploring whether the City might be able to acquire land needed to further the proposed path connection.

Alderman Carroll stated that acquiring the property discussed could help extend the path to Kingsley Park and suggested exploring a joint effort with Brunswick County to connect Taylor Field and Kingsley Park.

Alderman Gross discussed existing adult recreational and educational opportunities available within Southport, including programming at the Brunswick County Senior Center and Brunswick Community College's Southport Center. He referenced arts, crafts, music, and other programs available through those facilities, as well as live music offered at several locations within the City. He asked the Board to consider the extent to which additional adult programming should be provided through the City's Parks and Recreation Department given the programs already available locally.

Alderman Gross expressed support for the City's youth programming and specifically praised the Parks and Recreation basketball program, noting its popularity and strong attendance. He then discussed the before-school and after-school program and asked how many children had participated and how many were Southport residents.

City Manager Saldo stated that approximately 13 children participated in the program.

Finance Director Kronenwetter stated that participation varied from week to week, generally ranging from approximately 13 to 17 children.

Alderman Gross asked how many of the participating children resided within the Southport city limits.

Finance Director Kronenwetter stated that Staff could review the available registration forms to determine whether participant addresses had been collected and identify the number of City residents.

Alderman Gross asked whether the City had conducted a cost-benefit analysis to determine whether program fees recovered the cost of providing the before-school and after-school program.

City Manager Saldo stated that the program did not recover its full costs. He referenced a fee of approximately $50 per week and explained that the revenue generated by those fees was below the program's Staffing costs alone.

Alderman Gross characterized the program as a taxpayer-subsidized before-school and after-school program. Drawing upon his previous experience with Wake County Social Services, he discussed county-administered childcare subsidy programs available to qualifying low-income families and suggested that eligible Southport residents could explore assistance through Brunswick County. He then asked whether the City had included funding for the before-school and after-school program in the FY 2026–2027 budget or whether the program's future remained pending.

City Manager Saldo stated that the before-school and after-school program was largely on standby. He explained that a significant portion of the program's cost was personnel and that three employee positions remained included in the budget, while one currently vacant position had been removed. He stated that other program-related expenses included vehicles, fuel, and departmental supplies and that some of those expenditures had been reduced in the proposed budget. He noted that much of the underlying funding remained available, with adjustments made to reflect current circumstances.

Alderman Gross stated for the record that the FY 2025–2026 Parks and Recreation budget was $1,032,797, year-to-date actual expenditures were $849,221, and the proposed FY 2026–2027 budget was $757,573.

Alderman Davis asked whether the Board had reached the point in the discussion to consider potential revenue opportunities associated with Parks and Recreation events or whether revenue-generating ideas would be addressed separately.

Mayor Hatem confirmed that the Board was currently discussing the Parks and Recreation budget.

Alderman Davis discussed potential revenue opportunities associated with Parks and Recreation events. She referenced Wrightsville Beach's decision to allow food and beverage vendors, including alcohol sales, at games and concerts and asked whether Southport could explore contractual arrangements with food trucks or similar vendors that would provide the City with a portion of the revenue. She suggested that such vendors could provide additional food and beverage options at basketball games and concerts while generating revenue for the City.

City Manager Saldo explained that implementing such an arrangement would require changes to the City's existing food truck ordinance. He stated that food truck operators currently obtain a permit and pay the applicable fee, which allows them to participate in various events, making a revenue-sharing arrangement under the current system unlikely.

Alderman Davis asked how Wrightsville Beach structured its program, noting that increased municipal revenue had been identified as a benefit of allowing beer and wine sales.

Mayor Hatem suggested that Wrightsville Beach may have amended its ordinance to accommodate that type of arrangement.

City Manager Saldo stated that Wrightsville Beach may use event-specific permits rather than the broader permitting structure currently used by Southport.

Alderman Davis asked Staff to investigate the possibility of a similar approach as a potential revenue source.

Alderman Kelley expressed concern about the potential effect of additional food and beverage vendors on existing Southport businesses.

Alderman Davis noted that concerns regarding behavior associated with alcohol sales had also been discussed in connection with Wrightsville Beach and referenced assurances from law enforcement regarding management of those concerns.

Alderman Kelley stated that local businesses already experience reduced food and beverage sales when event attendees bring their own refreshments in golf carts. She expressed concern that adding food trucks could further affect nearby restaurants and noted differences between Southport and Wrightsville Beach regarding the concentration of nearby restaurants.

Alderman Davis raised another potential revenue opportunity involving advertising signs in the Parks and Recreation gym. She stated that many existing signs represented businesses that were no longer operating and suggested removing and potentially selling or raffling the older signs while offering current businesses advertising space for a fee. She noted that the matter had been discussed during several previous budget cycles and emphasized that smaller revenue sources could collectively be beneficial.

Alderman Gross expressed support for Alderman Davis's suggestion and stated that existing businesses represented on the signs were effectively receiving advertising without generating current revenue for the City.

Mayor Hatem expressed concern about removing the older signs, noting their historical and commemorative value. He questioned whether the limited revenue generated by removing them would outweigh their value as reminders of the people and businesses associated with the community.

Alderman Kelley stated that there remained an opportunity to sell advertising space in the gym, regardless of any revenue generated from disposing of the older signs.

Alderman Spencer commented that the businesses represented on the longstanding signs had received substantial value from their original advertising investment.

Alderman Carroll stated that he personally favored removing the older signs and suggested pursuing recurring sponsorship opportunities for Parks and Recreation programs instead. He proposed seeking local businesses to sponsor basketball teams or related expenses, such as jerseys, allowing businesses to receive recognition while reducing program costs to the City.

Mayor Hatem noted that businesses could sponsor individual teams.

Alderman Kelley cited sponsorship signs at the local middle school gym and baseball fields as examples of similar opportunities that the City could explore.

Alderman Spencer stated that sponsorships could also promote economic development by supporting and highlighting local businesses and expressed support for exploring the opportunity.

Alderman Carroll stated that he would bring the sponsorship concept back to Parks and Recreation for further consideration.

Alderman Carroll stated that Parks and Recreation Staff could explore potential solutions for sponsorships and determine what opportunities might be available.

City Manager Saldo stated that sponsorships and advertising signs could be approached as separate issues. He suggested considering basketball or program sponsorships while also developing a policy for advertising signs, including how long advertising space would be offered and how frequently signs would be replaced, so that the City could establish a regular turnover process.

Finance Director Kronenwetter stated that Staff could investigate the matter and explained that advertising would essentially constitute a contractual sponsorship. He added that the City's surplus policy could provide a mechanism for selling the existing signs if the Board chose to pursue that option.

Alderman Mosteller questioned the proposed reduction in part-time salaries within the Parks and Recreation budget. She noted that the line had previously included substantially more funding and was proposed at approximately $25,000. She referenced expenses associated with basketball, including referees, and expressed concern about whether the proposed amount would adequately support part-time Staffing and programming.

City Manager Saldo stated that the proposed budget reflected a broader reorganization of Parks and Recreation. He explained that Staff had reviewed previous expenditures and adjusted funding based on anticipated needs while recognizing that other funds could be available if additional resources became necessary.

Alderman Davis asked how much the City currently paid basketball referees.

Finance Director Kronenwetter stated that referee compensation varied but averaged approximately $35 to $45 per game. He explained that referees tracked the number of games worked and were paid at the end of the season.

Alderman Gross returned to the before-school and after-school program and requested that Staff provide the Board with a breakdown of the number of children participating in the program.

City Manager Saldo stated that approximately 13 children had participated and that Staff could review participant addresses.

Alderman Gross asked whether all participating children were transported to Southport Elementary School or whether transportation was provided elsewhere.

Finance Director Kronenwetter stated that children were transported to Southport Elementary School and South Brunswick Middle School and described the program as serving kindergarten through eighth grade.

Alderman Gross asked whether one or more students were transported to South Brunswick Middle School near Boiling Spring Lakes.

Alderman Mosteller asked whether Brunswick County school buses were available to transport the students.

Alderman Spencer explained that the before-school program served families whose schedules required childcare before regular school transportation was available or practical.

Alderman Gross asked whether the YMCA operated a program at Southport Elementary School.

Alderman Carroll confirmed that it did.

Alderman Spencer stated that the YMCA provided afternoon care.

Alderman Carroll stated that the YMCA had offered an after-school program at Southport Elementary for approximately two or three years but did not provide before-school care. He added that the YMCA's Brunswick County programming was currently focused on elementary schools.

Alderman Mosteller asked about the hours of the after-school program.

Alderman Carroll stated that he did not know the precise hours but believed they were generally consistent with providing parents sufficient time to finish work and pick up their children.

Alderman Gross discussed the distinction between before- and after-school programming and licensed childcare. He stated that state requirements regarding the number and ages of children and the duration of care could trigger childcare licensing requirements. He emphasized the importance of keeping the City's program within the applicable requirements and avoiding potential liability.

Alderman Kelley asked whether the applicable four-hour threshold was cumulative, such as two hours of care before school and two hours after school.

Alderman Carroll responded affirmatively and stated that Southport's program had remained within the applicable threshold.

Alderman Gross reiterated the importance of monitoring program hours to ensure continued compliance with childcare licensing requirements.

Alderman Davis asked whether the budget included funding for any training, licensing, or related requirements that might become necessary.

Alderman Carroll stated that, based on the program's current hours, the licensing requirement being discussed did not apply.

City Manager Saldo stated that Staff working with the program should have appropriate qualifications and that the department's training and travel budget could support any necessary certifications.

Alderman Mosteller questioned the Parks and Recreation utilities line, noting differences between the current budget and expenditures, and asked how the proposed amount had been determined.

City Manager Saldo stated that utility expenses were distributed among facilities and that the proposed amount reflected Parks and Recreation's anticipated share of those costs.

Alderman Spencer suggested broadening Parks and Recreation programming to include technology and STEM-related activities. He discussed opportunities involving Raspberry Pi computers, 3D printing, CAD, drones, cameras, and other technology that could appeal to teenagers as well as adults. He also suggested establishing internships within Parks and Recreation, Public Works, and Administration to expose young people to municipal work and help identify and develop local talent. He emphasized that recreation could encompass activities beyond traditional athletics and could provide opportunities for residents with a wider range of interests and abilities.

Alderman Davis noted that the public library already offered a variety of computer and technology-related programming.

Alderman Spencer discussed whether equipment such as 3D printers was currently available locally and stated that relatively modest investments in technology could create opportunities for young people to experiment, develop ideas, and build skills. He emphasized the value of expanding Parks and Recreation offerings while remaining mindful of programs already provided by other organizations.

Mayor Hatem emphasized the importance of physical recreation for children and expressed support for programs that encourage young people to be active through basketball, soccer, and other sports while developing healthy lifestyles.

City Manager Saldo stated that the City had an opportunity to reconsider and enhance Parks and Recreation programming as the department moved forward. He supported exploring additional programs alongside existing offerings and noted that some opportunities, including computer-based or online instructional programs, could be provided at relatively little cost using resources already available to the department.

Alderman Carroll asked whether the Board wished to make any recommendations or changes regarding the Parks and Recreation budget before moving on to Community Relations.

Alderman Kelley asked whether funding for a summer camp program was included in the budget.

City Manager Saldo stated that baseline funding remained within the budget, but a summer camp would not be offered during the current calendar year.

Alderman Mosteller asked about the vehicle-related line item for lease principal payments, noting that approximately $32,000 was budgeted.

Finance Director Kronenwetter explained that the line item reflected an accounting reclassification required under GASB standards. He stated that vehicle leases had previously been recorded under capital outlay, while GASB 87 required lease principal and interest payments to be separately tracked. He explained that the change represented a chart-of-accounts adjustment rather than a new expense.

Alderman Mosteller confirmed that the expense related to vehicles.

Finance Director Kronenwetter confirmed that it represented vehicle lease payments and stated that the expense covered three 15-passenger vans used by Parks and Recreation. He noted that the administrative vehicle had been purchased outright.

Alderman Gross stated that the future of the before-school and after-school program remained an open question. He suggested considering whether the approximately 13 children previously enrolled had successfully transitioned to alternative programs following the suspension of the City program. He questioned whether reopening the City program would be warranted if most participating families preferred their alternative arrangements and only a small number of children sought to return.

Alderman Carroll stated that he expected continued demand for the before-school and after-school program, noting that residents had attended recent Parks and Recreation meetings requesting that the program return. He stated that reopening registration would provide a clearer indication of actual demand.

Alderman Kelley asked whether the program should be evaluated more closely based on cost. She stated that she had strongly supported the before-school and after-school program during the previous year because she understood that it generated revenue, while the current discussion indicated that the program was subsidized by the City.

Alderman Carroll stated that the previous year's budget showed that the program did not generate a profit and that its expenses exceeded its revenues.

Alderman Davis stated that a complete evaluation should include vehicle expenses and other costs shared across the Parks and Recreation budget. He noted that the Board currently lacked a comprehensive cost-benefit analysis and stated that such information could inform a future decision regarding the program.

Alderman Carroll emphasized that Parks and Recreation decisions involved community benefits in addition to financial considerations. As an example, he noted that the proposed Parks and Recreation budget anticipated approximately $21,500 in revenues compared with approximately $757,000 in expenditures.

Alderman Davis clarified that the comparison was between the department's expenditures and revenues.

Alderman Carroll reiterated that projected Parks and Recreation revenues were approximately $21,500.

Alderman Davis observed that the Parks and Recreation Department was structured as a public service rather than a department in which revenues and expenditures would balance.

Alderman Carroll agreed, stating that Parks and Recreation was not a department where the City would expect revenues to equal expenditures.

Alderman Davis reiterated that the department generated approximately $21,000 in revenue while requiring more than $700,000 in expenditures.

City Manager Saldo stated that even if only a portion of employee time were attributed to the before-school and after-school program, the City would have to substantially increase participant fees to recover the program's costs. He explained that achieving a break-even point would likely require significantly greater participation. He characterized continuation of the program as a policy decision for the Board based on the value of the service to the community rather than full cost recovery.

Alderman Gross asked whether it might be more cost-effective for the City to subsidize the difference between the City program fee and the cost of an alternative program, such as one offered by a local church, rather than directly operating the program.

Alderman Spencer returned to the subject of Staffing and internships, noting that an intern had previously provided short-term labor for the program.

City Manager Saldo stated that Staffing costs remained a significant factor and explained that additional Staffing reductions would be necessary for the program to approach a break-even point. He noted that retaining the existing three employees while adding another employee would continue to carry personnel costs.

Alderman Carroll discussed demand for summer camp programming and stated that the DSL summer camp reportedly had more than 40 children on its waiting list. He suggested that the City consider the broader demand for summer camps when evaluating future programming. He recalled City summer camp fees of approximately $95 per week for residents and $115 for nonresidents.

Finance Director Kronenwetter stated that the summer camp fee had been increased during the previous year's budget process. He explained that no additional changes had been proposed due to uncertainty surrounding the department, but stated that the fees could be adjusted.

Alderman Carroll asked how many children had registered for the summer camp program during the current year.

Finance Director Kronenwetter stated that registration had opened prior to the suspension of programming. He noted that, historically, the summer camp regularly reached the capacity of the available vehicles, generally serving approximately 45 to 55 children.

Alderman Carroll stated that the summer camp rates should be reviewed. He characterized the existing rates as very affordable and suggested that increasing them could help offset program costs if the City resumed summer camp programming.

Finance Director Kronenwetter stated that any adjustment to summer camp fees should be considered as part of the current budget process because the next summer camp would occur during FY 2026–2027.

Alderman Mosteller summarized her Parks and Recreation discussion by referencing the tree-related work and other identified park maintenance needs.

She expressed appreciation for the breakdown of available funding and the discussion regarding how those funds could be used to address maintenance throughout the City's parks.

Alderman Davis stated that the Board needed additional information before making decisions regarding Parks and Recreation programming. She cited unanswered questions regarding the capacity of alternative before-school and after-school programs and participation in the City's summer camp. She stated that the Board would benefit from additional information from Parks and Recreation regarding existing programs, their value, participation levels, and associated costs before determining how to proceed.

Alderman Carroll noted that the Parks and Recreation Department was currently without departmental Staff and stated that he was pleased the proposed budget was significantly lower than current-year actual expenditures. He suggested that the City use the opportunity to evaluate the department's future operations and establish program fees that more closely reflect the cost of providing those programs. He stated that, at this stage, he did not identify additional reductions that needed to be made to the proposed budget and expressed support for the adjustments presented by City Manager Saldo. He also emphasized that the proposed $50,000 should be clearly identified for maintenance and improvements throughout the City's parks, rather than associated with any single park. He referenced public concern regarding the amount of funding previously directed toward Franklin Square Park and emphasized the need to address conditions at the City's other parks as well.

City Manager Saldo explained that the Board could make additional adjustments before adoption of the budget and could also amend the fee schedule during the fiscal year. He stated that this would allow the City to revisit program fees once Parks and Recreation operations were reestablished and appropriate professional Staffing was in place.

Finance Director Kronenwetter added that the proposed budget generally assumed that additional Parks and Recreation programs would remain suspended for approximately the first six months of the fiscal year while departmental matters were resolved. He explained that, if the City chose to restore programs during the fiscal year, the Board could appropriate additional funding from fund balance at that time.

Alderman Carroll requested that, when the Board revisited the Parks and Recreation fee schedule, Staff provide historical participation data for the before-school and after-school programs and summer camps. He requested information regarding participation levels, participant residency, and other relevant demographic information to assist the Board in evaluating future program fees.

Mayor Hatem asked whether there were any additional Parks and Recreation matters and then moved the Board to the Community Relations budget.

Planning / Permitting and Inspections

Alderman Kelley asked why projected occupancy tax revenue increased significantly in the proposed budget.

Finance Director Kronenwetter explained that the projection included anticipated revenue from the new hotel planned behind First Bank. He stated that the calculation had been prepared based on the number of rooms expected at the new hotel.

Alderman Kelley asked how the projected occupancy tax figure had been calculated.

Finance Director Kronenwetter stated that he would need to review the underlying calculation to provide the specific methodology.

City Manager Saldo stated that the projection was based on surrounding averages, applicable occupancy tax percentages, existing collections, and the anticipated increase associated with the new hotel. He characterized the projection as a reasonable estimate.

Alderman Gross stated that he had a comment regarding Community Building when the Board reached that portion of the budget.

City Manager Saldo noted that Community Relations and Community Building expenses were largely supported by occupancy tax revenues and associated rental revenues, limiting the amount of General Fund support required for those activities.

Alderman Mosteller returned to the fee schedule and stated that some nonprofit organizations continued to have questions regarding the City's fees and how they applied to nonprofit events. She recalled previous discussion about Community Relations meeting with nonprofit organizations to review the fee structure and receive their input and stated that such a meeting remained important before further consideration of the rates.

City Manager Saldo agreed that the City should clarify how nonprofit events are treated under the fee structure. He stated that the broader policy question involved determining whether, and to what extent, the City wished to subsidize nonprofit events. He suggested bringing the ordinance back for clarification and establishing clearer distinctions among City-sponsored events, nonprofit events, and other events.

Alderman Carroll clarified that Alderman Mosteller was referring primarily to an educational discussion with nonprofit organizations.

Alderman Mosteller agreed and explained that Community Relations, as the primary point of contact, should meet with nonprofit organizations to review the various requirements and charges associated with their events before the Board determined appropriate fees.

City Manager Saldo characterized the proposed meeting as a listening session to better understand the concerns and experiences of nonprofit organizations.

Alderman Mosteller agreed and stated that the discussion should identify areas of confusion regarding event-related requirements and costs, such as barricades, tents, and other services or equipment. She suggested including representatives from Community Relations, the Fire Department, and the Police Department so that nonprofit organizations and City Staff could discuss event requirements and responsibilities. She stated that gaining a clearer understanding of those needs would help inform the Board's subsequent consideration of appropriate fees.

Alderman Carroll asked how many events the City hosted and how many were sponsored or co-sponsored by the City. He suggested establishing those numbers before further discussing the event fee structure.

Alderman Kelley stated that she believed she had recently provided information regarding the number of events and began looking for it.

Alderman Spencer noted that the Community Relations budget showed approximately $68,500 in actual special-event revenue. He distinguished that revenue from occupancy tax proceeds and stated that occupancy tax revenue was generated independently of the Community Relations Department.

City Manager Saldo agreed and explained that occupancy tax revenue was collected pursuant to statutory authority and automatically assessed through lodging establishments rather than directly generated by Community Relations activities.

Alderman Spencer confirmed that the Community Relations Department itself did not generate the occupancy tax revenue.

City Manager Saldo explained that statutory requirements govern the use of occupancy tax proceeds, including requirements related to advertising, tourism promotion, and other authorized purposes. He noted that certain departmental expenses could be supported by those revenues.

Alderman Spencer clarified that approximately $68,000 in revenue was generated directly through events and related Community Relations activities.

Alderman Carroll agreed.

Alderman Kelley noted that events, particularly those held outside the primary tourism season, could indirectly contribute to increased occupancy tax collections by attracting visitors who stay overnight in Southport.

Community Relations Assistant Director Jessie Labell stated that the City sponsored or co-sponsored approximately 15 events annually. She explained that some events were single-day activities while others extended over longer periods or involved ongoing efforts such as pole-banner programs.

Alderman Davis asked whether the approximately 15 events represented City-sponsored events and requested the number of co-sponsored events.

Community Relations Assistant Director Labell clarified that the figure included co-sponsored events. She explained that City sponsorship could take several forms. As an example, she referenced the North Carolina Maritime Museum at Southport's Burning of Fort Johnston event, for which the City provided use of the Community Building as part of its sponsorship. She stated that use of the Community Building for sponsored events was capped at 12 annually. She also referenced collaborative activities such as pole-banner programs with community organizations and Winterfest. She explained that Winterfest encompassed approximately 20 individual activities during one week, some conducted entirely by outside organizations, while the overall Winterfest program was sponsored by the City.

Alderman Carroll asked whether City-sponsored or co-sponsored events generated costs for the City, particularly when outside organizations conducted activities with limited direct City involvement.

Community Relations Assistant Director Labell provided an example of a small event involving a table outside a bookstore and indicated that such activities could involve minimal City resources. She further noted that Staff time associated with coordinating or meeting with event organizers could represent a City cost.

City Manager Saldo explained that larger events, such as car shows, could require Police, Fire, and EMS services. He stated that some public safety services occurred during employees' regular work assignments and therefore generated little additional cost, while events requiring dedicated personnel could result in costs that should be recovered from the event organizer.

Alderman Spencer asked how many times annually the City provided the Community Building without charge as part of an event sponsorship.

Community Relations Assistant Director Labell stated that the City capped such sponsored uses at 12 per year.

Alderman Spencer asked about the average rental revenue the Community Building could otherwise generate for a single event or day.

Community Relations Assistant Director Labell explained that rental rates varied according to the day, type of event, and length of use. She stated that Friday-through-Sunday wedding rentals could be approximately $4,000, with rates varying by the specific rental arrangement, while hourly rates were also available. Weekday rates were lower.

Alderman Spencer estimated that providing the Community Building without charge for sponsored events could represent approximately $40,000 to $60,000 in potential rental revenue.

Community Relations Assistant Director Labell emphasized that many of the sponsored uses benefited nonprofit community organizations, including the Southport Historical Society, Black History Symposium, and Southport Woman's Club.

City Manager Saldo noted that Fourth of July activities also involved use of the Community Building without rental revenue and would be included among such sponsored uses. He added that some sponsored events occurred during periods when the facility otherwise might remain unreserved, meaning the waived rental fee did not necessarily represent displaced rental revenue.

City Manager Saldo further explained that Public Works support represented another event-related cost that had historically been less consistently captured, including Staff time associated with barricades, road closures, and similar services. He stated that the City had fees for some of those services and emphasized the importance of consistently applying the fee structure to non-City events. He suggested that revisions to the event ordinance should ensure that the City properly identifies and recovers applicable costs.

Alderman Carroll asked whether event organizers completed a form identifying the City services required for an event and were subsequently billed for those services.

City Manager Saldo confirmed that Community Relations received event requests and coordinated review by Police, Fire, EMS, Public Works, and the City Manager's office as appropriate. He explained that larger events often required additional coordination to determine the services and personnel needed. He stated that dedicated personnel requested specifically for an event could be charged to the organizer rather than subsidized by the City and that much of this review was already incorporated into the City's event approval process.

Alderman Davis asked whether the City's wedding rental rates for the Community Building were sufficiently competitive, noting that some comparable venues charged approximately $12,000.

City Manager Saldo stated that the City had implemented a significant rate increase during the previous year. He noted that additional improvements to the Community Building would help support higher rental rates and suggested that the City could continue gradually increasing rates as improvements were made based on customer feedback.

Alderman Gross agreed with Alderman Davis and stated that one of his proposed revenue measures was a 5% increase in wedding rental fees.

City Manager Saldo stated that a 5% increase in wedding fees was estimated to generate approximately $10,000 in additional revenue.

Alderman Gross stated that his estimate was approximately $11,500.

Alderman Mosteller returned to the occupancy tax discussion and referenced information regarding occupancy tax rates in other Brunswick County municipalities, including Caswell Beach, Holden Beach, Ocean Isle Beach, and Bald Head Island. She asked whether some municipalities were collecting a combined rate of approximately 6%.

Alderman Kelley stated that the rates were structured differently.

Board members and Staff discussed the different components of occupancy taxes collected by area municipalities, including taxes dedicated to specific purposes such as beach nourishment.

Finance Director Kronenwetter explained that Southport's current occupancy tax authority was capped at 3% by state law and stated that an increase would require additional legislative authority, potentially involving creation of a Tourism Development Authority.

Alderman Mosteller asked whether the City could pursue a local bill through the General Assembly that would authorize a higher occupancy tax rate.

City Manager Saldo stated that the City could explore additional legislative authority. He noted that while some coastal communities dedicate additional occupancy tax revenues to beach nourishment, Southport could potentially seek authority tied to infrastructure needs.

Alderman Mosteller expressed interest in exploring an additional occupancy tax dedicated to infrastructure, noting the impacts visitors place on City streets and other infrastructure. She suggested discussing the possibility with the City's legislative representatives and determining what statutory structure, including any Tourism Development Authority requirements, would be necessary.

Alderman Kelley cautioned that visitors also contribute to the local economy through restaurants and other businesses. She stated that increasing lodging costs could influence visitors' decisions about whether to stay within Southport or seek accommodations outside the City.

Alderman Mosteller asked for clarification regarding how the existing occupancy tax applied to a hypothetical $100 nightly lodging charge.

Finance Director Kronenwetter stated that the City's occupancy tax was 3% of the gross nightly lodging charge.

Alderman Kelley explained that, on a $100 lodging charge, approximately $3 would represent the City occupancy tax, with an additional county occupancy tax and applicable state and local sales taxes.

Alderman Gross clarified that his proposed 5% increase in wedding rental fees would apply to nonresidents rather than Southport residents. He stated that residents already contributed through City taxes and suggested that higher nonresident fees could provide additional revenue from visitors using City facilities and infrastructure. He noted that increasing a $5,500 wedding rental by approximately $250 would, in his view, remain competitive while generating additional revenue.

Community Building Manager, Karen Martin, recommended that, if the Board increased rental rates, it consider separate peak-season and off-season pricing rather than an across-the-board increase. She stated that additional investment in the Community Building would help support higher rental rates, noting that comparable venues often provide additional services such as event coordinators and catering, while the City primarily provides the facility, tables, and chairs.

Alderman Gross stated that he had previously been advised that a significant number of weddings had been booked at the Community Building between March and November.

City Manager Saldo clarified that approximately 65 weddings had been booked.

Alderman Gross complimented Staff on securing approximately 65 wedding bookings and expressed appreciation for their work.

Alderman Davis asked what concerns or complaints customers had expressed regarding the Community Building.

Ms. Martin stated that the building itself was in good condition but could benefit from routine improvements. She identified the permanent display of flags as one concern raised by prospective renters and stated that at least one prospective customer had chosen another venue because the flags could not be removed.

Ms. Martin stated that the Community Building had generated approximately $300,000 during the current fiscal year and that Staff continued to work actively on marketing the facility. She cautioned that the City's ability to continue increasing rental prices annually should be considered alongside the amenities offered and improvements made to the facility.

Alderman Carroll asked whether the proposed budget included funding or recommendations for upgrades to the Community Building.

City Manager Saldo stated that some improvements to the Community Building were contemplated, although relatively few were included in the proposed budget. He identified exterior painting as one needed improvement that was currently unfunded and suggested that the Board could consider supplemental funding options before budget adoption in conjunction with its review of rental rates.

Alderman Spencer noted that the City had recently invested significantly in improvements to the Community Building deck and commented that the deck appeared to be receiving regular use for events.

Alderman Mosteller asked whether the new deck had been stained.

Alderman Kelley stated that the deck needed to weather for approximately one year before staining.

Alderman Gross suggested reinvesting a portion of the revenue generated by weddings into improvements to the Community Building.

City Manager Saldo asked whether there was significant support for permanently displaying the military flags inside the Community Building and suggested that the flags could instead be displayed for Board meetings and other appropriate occasions.

Alderman Mosteller expressed support for removing the flags from permanent display.

Alderman Davis, Alderman Spencer, and Alderman Kelley discussed the military flags, including the building's historical association with the USO and whether the flags were required to remain permanently displayed.

Alderman Carroll supported removing the flags from permanent display and bringing them out for appropriate occasions. He also suggested improving the appearance of the fireplace area.

Finance Director Kronenwetter identified the kitchen appliances as another area needing improvement and noted that some equipment, including the oven, required replacement or repair.

Community Building Manager Martin stated that she had developed a list of potential improvements. She emphasized the facility's potential to generate additional revenue and stated that investment in the building would help support increased profitability.

Alderman Carroll confirmed that approximately 65 weddings were booked between March and November.

Community Building Manager Martin confirmed that approximately 65 weddings were booked during that period and noted that the figure excluded sponsored events and other private functions.

Alderman Carroll asked how many additional events the facility might attract and discussed whether rental rates could be increased while maintaining strong demand. He suggested that the City evaluate both pricing and the facility's capacity to accommodate additional bookings.

City Manager Saldo identified hourly rentals as an area with additional revenue potential. He noted that the current rates for events such as celebrations of life, wedding-related gatherings, and baby showers were comparatively low and suggested that those rates could be reviewed.

Finance Director Kronenwetter suggested reviewing the minimum hourly rental period, noting that events generally required additional time for setup and cleanup. He stated that there appeared to be an opportunity to adjust the hourly rental structure.

Alderman Gross requested that Staff return with recommendations regarding rental rates, particularly rates applicable to nonresidents, and options for using additional revenue to help fund recommended improvements to the Community Building.

Alderman Davis continued the discussion regarding the facility's amenities and how the Community Building compared with more luxurious private event venues.

Community Building Manager Martin noted that facility-related information had recently been updated in January.

Alderman Kelley asked how the improvements to the Community Building deck had been funded.

Finance Director Kronenwetter stated that the deck improvements were paid from capital funds.

Community Building Manager Martin expressed concern about immediately increasing rental rates because the proposed facility improvements would not be completed before Staff began marketing and booking future events. She stated that increasing rates before additional amenities or improvements were available could affect future reservations.

Alderman Kelley suggested establishing a timeline for rate changes so that reservations made before a specified date could receive the existing rate, with new rates taking effect at a later date.

Finance Director Kronenwetter reiterated that the Board could amend the fee schedule during the fiscal year. He suggested that, if improvements were completed during the first six months of the fiscal year, revised rental rates could be adopted to take effect January 1.

Alderman Gross stated that he believed a 5% increase on a $5,500 rental would remain reasonable for customers and noted that the additional revenue generated from each rental could accumulate to help fund improvements to the facility.

City Manager Saldo stated that Staff would develop a plan and report back to the Board.

Alderman Carroll moved the discussion to Code Enforcement and asked about the proposal to eliminate the existing Code Enforcement position and rely on contracted services.

City Manager Saldo stated that the proposed change was intended to produce cost savings and improve efficiency. He noted that the City's existing contractor had performed well and appeared capable of assuming additional Code Enforcement responsibilities while allowing the City to reduce overall costs.

Alderman Gross supported the proposed change and compared Southport's Code Enforcement Staffing with other municipalities, including Leland, Sunset Beach, and Morehead City. He stated that communities with larger populations operated with limited Code Enforcement Staffing and characterized Southport's combination of a full-time employee and contractor as more Staffing than necessary. He also referenced complaints he had received regarding recent Code Enforcement citations, including an instance involving trees and logs placed on private property, and stated that the citation was ultimately addressed. He reiterated that his concern was based on Staffing comparisons with other municipalities and supported the proposed reliance on contracted Code Enforcement services.

Alderman Carroll stated that he was comfortable moving toward contracted Code Enforcement services but wanted assurance that the change would provide a meaningful benefit, particularly because it would result in the elimination of an employee's position. He asked whether there were opportunities to place the affected employee elsewhere within the organization.

Alderman Mosteller asked whether the proposed change constituted a reduction in force and requested information regarding the anticipated increase in contracted service costs.

City Manager Saldo stated that Staff was awaiting a final proposal from the contractor. He anticipated that the increased contract cost would remain substantially below the personnel savings associated with the proposed change.

Alderman Davis asked whether the contracted services would continue to be provided by Derek Mabe and his organization.

City Manager Saldo explained that the company had several employees who provided services and that Mr. Mabe had transitioned into more of a leadership role. He stated that different personnel within the company could be assigned to provide services to the City.

Alderman Davis asked how frequently contracted Code Enforcement personnel would be present in Southport.

City Manager Saldo stated that coverage would generally be available throughout the five-day workweek. He explained that the company served municipalities throughout the state and assigned personnel among those jurisdictions.

Alderman Spencer expressed strong opposition to replacing a longtime City employee with contracted personnel. He emphasized the employee's approximately 15 years of service and institutional knowledge and stated that she was uncomfortable eliminating the position in favor of outside personnel whose assignments could change over time.

Alderman Carroll requested a future Board discussion regarding enforcement of the City's right-of-way ordinance. He clarified that the Board had previously provided direction regarding enforcement of an existing ordinance rather than creating a new right-of-way restriction. He stated that Staff had sought clarification because enforcement practices had varied and suggested that the Board revisit the issue to provide additional clarity.

Alderman Davis agreed that the right-of-way ordinance had already existed.

Alderman Spencer referenced an occasion when he observed the Code Enforcement Officer addressing trash cans that had remained near the street and raised concerns regarding that level of enforcement.

Director Meehan clarified that the officer was conducting tax-related work at the time and stated that the City had not issued notices of violation for trash cans.

Alderman Carroll discussed existing requirements regarding the timely removal and screening of garbage containers following collection.

City Manager Saldo stated that Staff was responsible for enforcing ordinances adopted by the Board. He noted that Board members held differing views regarding the appropriate level of enforcement and stated that the Board could determine whether existing ordinances should remain as written or be amended.

Alderman Carroll supported having a substantive discussion regarding enforcement standards. He stated that Staff needed clear and consistent direction reflecting the Board’s consensus and noted that the issue remained despite previous Board discussions.

Alderman Spencer agreed that the Board should identify its position on several enforcement matters and provide consistent direction for Staff to follow.

Alderman Mosteller returned the discussion to the Planning budget and directed the Board to page 53.

City Manager Saldo confirmed that the referenced expense was related to the UDO project.

Alderman Mosteller noted that the expense also appeared in the capital budget.

City Manager Saldo explained that the project was funded through a fund balance appropriation and was included within the approximately $900,000 in fund balance appropriations identified in his presentation. He stated that the line item under discussion represented the expenditure side of that appropriation.

Alderman Mosteller asked about the online UDO and requested clarification regarding why it was not being updated regularly.

City Manager Saldo explained that the City's contractor hosts both the general Code of Ordinances and the new UDO. He stated that the contractor had experienced Staffing and operational issues that affected the timeliness and accuracy of updates. He also explained that the City's current subscription provides only a limited number of updates each year. Staff was working with the contractor to identify another option that would allow the UDO to be updated more regularly.

Alderman Davis asked whether the current contractor was the City's only available option.

City Manager Saldo stated that other providers were available, although the current contractor was a leading provider in the field. He stated that Staff would continue evaluating alternatives if the existing contractor could not provide an acceptable solution.

Alderman Mosteller followed up on an earlier discussion regarding software and asked whether Staff had pursued the possibility of working with Brunswick County on a similar system.

City Manager Saldo confirmed that Director Meehan was working with the County on that effort.

Director Meehan stated that Staff had followed up with Brunswick County and was working with County Staff to develop the City's own program. She explained that the resulting system would be similar to the County's existing program.

Alderman Mosteller asked whether this was the system previously referred to as the "dashboard." She also suggested that the Rate Committee review the Planning Department's fee structure, noting that some time had passed since the fees were last reviewed.

Alderman Gross asked whether the increase in Contract Services, Account 53011, from approximately $100,000 to $259,000 was attributable to the UDO rewrite.

Director Meehan confirmed that the increase was related to the UDO rewrite.

Alderman Mosteller asked whether the budget included funding for training for boards such as the Board of Adjustment.

City Manager Saldo stated that such expenses would be included within the general training line item.

Finance Director Kronenwetter noted that the training line item included an increase of approximately $3,000.

Alderman Carroll asked whether resources such as Rules of Procedure books for board members would also be covered.

Finance Director Kronenwetter stated that some of those materials would be charged to departmental supplies.

Alderman Gross moved the discussion to Permitting and Inspections and asked whether the City's building inspectors were also certified to conduct fire inspections.

Chief Building Inspector Kiley Barefoot stated that City inspectors were qualified to perform Level I fire inspections and were working toward Level II and Level III certifications.

Alderman Gross asked what limitations applied to the different certification levels, including building size and height.

Chief Building Inspector Barefoot explained that certain facilities required higher certification levels. He cited hospitals as requiring Level III certification and stated that some two-story restaurants also required a higher certification level. He explained that the City's inspectors could currently perform most other applicable inspections.

Alderman Gross clarified that the discussion concerned commercial fire inspections rather than single-family residential inspections and asked whether City inspectors could currently perform inspections on many one- and two-story commercial buildings.

Chief Building Inspector Barefoot confirmed that they could.

Alderman Kelley asked whether the certification limitations were based on square footage, building height, or both.

Chief Building Inspector Barefoot explained that square footage and occupancy type affected the required certification level. He stated that Level II generally covered buildings up to 60,000 square feet, while certain occupancies, such as a two-story A-2 restaurant, could require Level III certification.

Alderman Kelley observed that the City's inspectors could therefore handle most inspections other than certain larger or more complex commercial buildings.

Chief Building Inspector Barefoot agreed and estimated that, with approximately another year and a half to two years of experience and certification work, City Staff could be qualified to perform the full range of applicable inspections within the City.

Alderman Davis asked what remained necessary for Staff to obtain those higher certifications.

Chief Building Inspector Barefoot explained that State requirements included prescribed periods of experience followed by State examinations for the additional certification levels.

Alderman Davis asked Alderman Gross whether his questions were leading toward a broader discussion of potentially duplicative services where City employees were capable of performing work for which the City was also paying another provider.

Alderman Gross stated that, if Chief Building Inspector Barefoot and the other building inspectors had sufficient capacity, their fire inspection certifications could provide the City with additional flexibility. He asked about the current turnaround time for building inspections and complimented Staff on their ability to complete inspections promptly. He noted that the inspectors' additional fire inspection qualifications could potentially provide further options for the City.

Alderman Carroll stated that he did not necessarily view the Building Inspections and Fire Marshal functions as redundant and noted that shifting responsibilities could also affect revenues associated with Fire Department inspections.

Alderman Davis acknowledged that the City collected fees for fire inspections and asked Chief Building Inspector Barefoot whether his department had sufficient time to assume additional fire inspection responsibilities.

Chief Building Inspector Barefoot stated that his department had limited capacity to take on additional fire inspections. He explained that Staff could perform them when necessary but believed the work was better handled by the Fire Marshal and Deputy Fire Marshal because their responsibilities extended beyond the inspection itself.

Alderman Spencer noted that the Fire Marshal position was supported through fire fees.

Alderman Kelley asked whether the City was subsidizing approximately half of the Fire Department's costs beyond the revenue generated by fire fees.

City Manager Saldo recognized a Staff member for recently obtaining an additional professional certification related to planning and zoning.

Alderman Gross returned to the possibility of using certified building inspectors for some fire inspections if Staff capacity permitted. He suggested that this flexibility could potentially affect future Fire Marshal Staffing needs while preserving inspection revenue. He also referenced a constituent's concern regarding the cost of a recent fire inspection and acknowledged that inspection fees were based on factors such as square footage rather than solely on the amount of Staff time involved.

Alderman Mosteller asked how revenues exceeding the direct expenses of the Permitting and Inspections function were allocated, referencing approximately $605,000 in revenues compared with approximately $437,000 in expenses.

Finance Director Kronenwetter explained that the departments were accounted for separately but operated within the broader Development Services function. He stated that the revenues could be considered in relation to the overall expenses of Development Services, including Planning, when evaluating the net financial position of those operations.

Alderman Kelley asked about the average turnaround time between submission of a permit application and the City's ability to issue the permit.

Chief Building Inspector Barefoot asked whether she was referring to commercial or residential permits.

Alderman Kelley stated that she was interested in both.

Chief Building Inspector Barefoot stated that residential permits were generally processed within approximately a week and a half, while commercial permits generally took approximately two weeks.

Alderman Kelley compared the City's turnaround time with her experience obtaining a permit for deck work in Carolina Beach through New Hanover County, which she stated took approximately four months from the initial application.

Finance Director Kronenwetter directed the Board to the departmental metrics on page 54 and noted that the City's inspectors had completed more than 4,100 inspections during the current year.

Alderman Kelley stated that she had also received positive feedback from contractors who preferred working with the City of Southport compared with other jurisdictions in the area.

Alderman Mosteller referenced a previous approximately 80-acre annexation and stated that the developer's preference to work with the City rather than the County had contributed to the decision to seek annexation into Southport.

Alderman Kelley stated that, during the meeting, she had received an inquiry from a property owner located immediately outside the City limits who was interested in annexation and hoped to begin the process in time for consideration at an upcoming meeting.

City Manager Saldo asked whether Board members had any additional items for discussion.

Alderman Spencer asked whether the Board should raise general budget matters at that time.

Finance Director Kronenwetter encouraged Board members to identify any additional information they wanted Staff to prepare for the following day so that Staff could work on those requests that afternoon.

Alderman Mosteller indicated that she had additional comments regarding the matters under discussion.

Finance Director Kronenwetter asked whether there were any additional department-specific requests.

Alderman Kelley reiterated her request for information regarding the potential cost of contracting with the Brunswick County Sheriff's Office to provide law enforcement services within the City. She emphasized that the request was intended as a comparison and was not a criticism of the Southport Police

Department. She stated that she wanted the Board to consider available options and their respective costs.

Alderman Spencer asked the Board to consider establishing an internship program with approximately two to four part-time interns during the coming year, potentially providing approximately $5,000 per intern. She suggested recruiting students from area high schools or early-college programs and asked where funding for such a program could be incorporated into the budget.

City Manager Saldo stated that several internship options could be explored. He noted that Community Relations had previously worked with interns through school projects without additional cost and stated that the City had the capacity to develop additional internships. He suggested evaluating opportunities on a case-by-case basis, including the possibility of providing stipends.

Finance Director Kronenwetter stated that he had been exploring internship opportunities for the Finance Department. He noted that undergraduate interns might be available through local institutions such as Brunswick Community College or UNC Wilmington, while some graduate-level internship programs could require compensation of approximately $25 to $30 per hour.

Alderman Spencer suggested compensation of approximately $10 per hour for internships lasting three to six months. She envisioned opportunities for high school or early-college students to work within City departments, gain exposure to different municipal careers, and receive some financial benefit while participating in the program.

Alderman Kelley stated that South Brunswick High School offered an internship program at no cost to the City.

Finance Director Kronenwetter recalled participating in a school-based job-shadowing program in which students spent short periods observing different workplaces.

Alderman Kelley stated that she had previously hosted an intern from South Brunswick High School for approximately three months. She suggested contacting the high school to explore similar opportunities for the City during the school year and offered to provide an appropriate contact.

City Manager Saldo supported exploring internship opportunities beyond the high-school level as well. He stated that the City could consider college and graduate-level interns based on individual departmental needs. He suggested evaluating compensation and program structure on a case-by-case basis rather than assigning a specific amount in the budget for all internships.

Alderman Spencer suggested also examining internship programs used by neighboring municipalities, including Boiling Spring Lakes, as potential models.

Finance Director Kronenwetter stated that Community Relations had recently utilized an unpaid intern. He also noted that the City had participated in the UNC fellowship program during the previous year, which involved a cost-sharing arrangement with UNC.

Alderman Davis stated her understanding that federal law required interns to receive at least minimum-wage compensation and raised that issue for consideration as the City evaluated future internship opportunities.

Alderman Spencer supported further consideration of paid internships, stating that even an entry-level hourly wage could provide the City with useful additional assistance without the benefit costs associated with full-time employment. She expressed appreciation for Staff exploring ways to incorporate internships into City operations.

Alderman Carroll returned to the Parks and Recreation budget and asked about the reassignment of an employee within the department. He asked whether duties previously performed by that employee, including watering and related park maintenance, had temporarily shifted to Public Works.

City Manager Saldo confirmed that Public Works was temporarily handling those responsibilities while the City advertised for a replacement full-time Parks and Recreation position. He explained that the position involved broader park maintenance responsibilities beyond watering.

Alderman Carroll asked whether those responsibilities would eventually transition back to Parks and Recreation.

City Manager Saldo confirmed that the position being filled would return those responsibilities to Parks and Recreation.

Alderman Mosteller noted that Parks and Recreation was responsible for maintaining the City's parks.

Alderman Carroll asked whether Parks and Recreation equipment had remained assigned to the department while being temporarily used by Public Works and whether it would continue to belong to Parks and Recreation.

City Manager Saldo stated that Public Works was primarily using a water tank with one of its trucks to water plants and that the equipment had not otherwise been transferred permanently.

Alderman Mosteller clarified that the equipment was being shared rather than transferred. She then requested a future update regarding the shoreline stabilization project.

City Manager Saldo stated that bids had been received for the shoreline stabilization project and that a lowest responsive bidder had been identified. He stated that final contract approval was scheduled for Thursday and construction was anticipated to begin by the end of the year.

Alderman Mosteller also requested an update regarding Yacht Basin dredging.

City Manager Saldo explained that progress on dredging was contingent upon resolving issues involving the federal channel. He stated that the City was pursuing two avenues for deauthorization, including action through Congress and an administrative process, so that the dredging project could proceed. He added that Staff would return to the Board regarding any required matching funds once the project reached that stage.

Alderman Mosteller confirmed that the City was actively moving forward with the deauthorization process.

City Manager Saldo confirmed that it was.

Alderman Spencer asked about the cemetery.

City Manager Saldo stated that cemetery mowing would be handled through Public Works using a third-party contractor.

Alderman Carroll asked about the amount budgeted for the cemetery.

City Manager Saldo stated that approximately $75,000 was included in the capital budget as a baseline placeholder. He noted that the Cemetery Committee had recommended approximately $90,000 and stated that the final amount would depend on the Board's determination regarding the proposed cemetery improvements.

Alderman Mosteller noted that the Cemetery Committee's recommendations also included updated software and other needs that would require funding.

City Manager Saldo stated that he would provide the Board with the Committee's complete request, which included items spread across several fiscal years, so the Board could determine which items it wished to fund.

Alderman Carroll asked whether the City continued to have any involvement with John N. Smith Cemetery.

City Manager Saldo confirmed that it did not.

Mayor Hatem referenced prior discussions concerning the City's involvement with the cemeteries and noted the placement of markers at John N. Smith Cemetery.

Alderman Gross thanked City Manager Saldo and Mayor Hatem for beginning preliminary discussions with Brunswick County regarding the possibility of a county-operated system. He noted that the potential change was being considered in light of an approximately $1.1 million budget gap.

Alderman Mosteller emphasized that citizens had expressed a desire to maintain an adequate local system and stated that any alternative arrangement would need to meet appropriate service standards.

Alderman Gross stated that the station needed to remain in Southport.

City Manager Saldo stated that he had asked the County Manager and county Staff to develop potential plans. He explained that, should the Board decide to pursue such an arrangement, implementation would occur through a transition process rather than as part of the immediate fiscal-year budget adoption.

Alderman Spencer raised concern regarding the County's existing Staffing shortages and questioned how additional responsibilities would affect its ability to provide services.

Alderman Mosteller observed that one possibility could involve existing City personnel becoming part of the County system. She emphasized that the proposal involved considerably more than simply transferring responsibility and that service levels, Staffing, and implementation would require careful consideration.

City Manager Saldo stated that any employees transitioning to the County system would have to satisfy the County's applicable employment and hiring standards.

E. Adjourn

Mayor Hatem asked if there was any additional business. Hearing none, he asked for a motion to adjourn the meeting.

A motion was made by Alderman Carroll and seconded by Alderman Kelley to adjourn.

The motion carried unanimously.

The Board adjourned at 3:36 p.m.

Dr. Joseph P Hatem, Mayor

Attest:

Scott Baillargeon, Deputy City Clerk

CITY OF SOUTHPORT
BOARD OF ALDERMEN
SPECIAL BUDGET MEETING
INDIAN TRAIL MEETING HALL
113 W. MOORE ST, SOUTHPORT NC 28461
June 8, 2026 | 9:00 AM

Present Members:
Mayor Joseph P. Hatem, M.D.
Alderman Paul Gross
Alderman Marc Spencer
Alderman Rebecca Kelley
Alderman Lowe Davis
Alderman Robert Carroll
Mayor Pro-Tem Karen Mosteller
Absent Members:

Staff Present:
Noah Saldo, City Manager
Tori Deviney, City Clerk
ChyAnn Ketchum, Public Information Officer
Todd Coring, Police Chief
Charles Drew, Fire Chief
Ralph Treadway, Battalion Chief
Tom Stanley, Public Works Director

Others Present:

Minutes

A. Call to Order

Mayor Hatem called the meeting to order at 9:05 am.

B. Invocation

Mayor Hatem provided the invocation.

C. Pledge of Allegiance

Mayor Hatem led everyone in the Pledge of Allegiance.

D. Agenda

1. Budget Workshop

Mayor Hatem opened the budget workshop by outlining several of the Board's primary considerations in reviewing the proposed FY 2026-2027 budget, including the tax rate, opportunities to reduce costs and improve efficiency, employee recruitment and retention, competitive salaries and benefits, departmental expenditures, and the City's current and future public safety needs.

He emphasized the importance of adequate staffing for Police, Fire, and EMS services and noted the need to consider Brunswick County's role in supporting EMS services. Mayor Hatem also discussed significant infrastructure and capital needs facing the City, including water and sewer matters, waterfront stabilization, stormwater infrastructure, courthouse renovations, road paving, parks, and maintenance of the City cemetery. He stressed the importance of maintaining adequate reserves for emergencies, particularly hurricanes and other major storm events, while continuing to fund necessary City services.

City Manager Saldo advised that staff had received several questions and ideas from Board members in advance of the workshop and had prepared information in anticipation of the discussion. He invited the Board to present questions, proposed amendments, or other changes to the budget.

Alderman Gross began by discussing the growth of the City's General Fund and comparing Southport with similarly sized municipalities. He stated that Southport's General Fund was approximately $15 million and referenced comparisons with Shallotte and Sunset Beach, including differences in the number of full-time equivalent employees.

Alderman Gross stated that Southport's General Fund increased approximately 19.6% from FY 2016 to FY 2021 and approximately 89.9% from FY 2021 to FY 2026, while the City's population increased approximately 8% during the latter period. He also discussed the City's fund balance, stating that it had increased from approximately $4.9 million in 2021 to approximately $14.19 million in 2025. He referenced the City's fund balance policy requiring a reserve equal to approximately 55% of the General Fund and estimated that amount at approximately $8.3 million.

Alderman Gross presented information he had obtained regarding employee benefits offered by another municipality and compared employee health insurance contributions, Christmas bonuses, and 401(k) contributions with Southport's benefits. He noted that Southport currently pays the employee health insurance premium and contributes 5% of an employee's salary to the 401(k) plan without requiring an employee match.

Alderman Davis expressed concern that focusing primarily on employee benefits as a means of reducing the budget could appear punitive to employees. She requested the actual savings associated with requiring employee health insurance contributions, modifying the 401(k) contribution, or reducing other employee benefits.

City Manager Saldo provided information from the North Carolina League of Municipalities regarding comparable municipalities. He reported that, among approximately 22 peer municipalities, 20 provided 100% employee health insurance coverage and two required an employee contribution. Statewide, approximately 80% of responding municipalities provided 100% employee coverage.

City Manager Saldo initially estimated that requiring employees to contribute $35 per month toward employee health insurance could generate approximately $40,000 annually. He cautioned that increasing employee costs while simultaneously providing cost-of-living and merit increases could effectively offset a portion of those compensation increases.

The Board also discussed the City's 401(k) benefit. Approximately $340,000 was included in the proposed FY 2026-2027 budget for City 401(k) contributions, and staff reported that approximately 47 full-time employees voluntarily contribute to their accounts.

Alderman Davis questioned whether reducing the City's benefit package could negatively affect recruitment and retention. City Manager Saldo reported that the City had experienced relatively low employee turnover during the previous two years, approximately 9% to 12%, and attributed the improvement in part to the recent pay study, competitive compensation, and the City's overall benefits package.

City Manager Saldo stated that Southport's salaries were generally comparable to, and in some cases slightly better than, those of nearby municipalities. He described employee retention as dependent upon three primary factors: base salary, benefits, and employee morale and treatment.

The Board discussed implementation of the salary study. Alderman Kelley noted that the study was intended to ensure employees were appropriately placed within the City's compensation structure. Alderman Mosteller clarified that not every employee received an increase because adjustments were based upon the findings of the study.

Alderman Mosteller also discussed the City's dependent health insurance contribution, noting that the benefit had been added approximately two years earlier as a recruitment and retention tool. She expressed concern about reducing a benefit that employees had come to rely upon.

Finance Director Kronenwetter reported that approximately 18 to 20 employees utilized some form of dependent coverage.

Finance Director Kronenwetter reported that the City had 86 regular full-time employees. The Board also discussed part-time staffing. One in Administration, four in police, six in Fire, nine in Rescue, and one in the Community Building.

The Board continued discussing Southport's staffing levels compared with similarly sized municipalities. City Manager Saldo cautioned that direct comparisons based solely upon population and employee counts do not account for differences in municipal services. Members discussed Southport's EMS operations, Parks and Recreation programming, Community Building operations, major events, visitor population, and other service demands.

City Manager Saldo stated that staffing levels ultimately depend upon the services the Board wishes to provide and that reducing personnel would require corresponding decisions regarding services or service levels.

The discussion turned to the possibility of Brunswick County assuming a greater role in providing EMS services.

Alderman Gross suggested beginning discussions with Brunswick County regarding a potential future transition of EMS services. He emphasized that he was not proposing a change as part of the FY 2026-2027 budget. He stated that the proposed EMS budget was approximately $1.5 million, with approximately $400,000 in projected revenue, resulting in an estimated net cost of approximately $1.1 million to the City which is about 22% of our ad valorem tax base.

Alderman Mosteller stated that she was open to exploring the concept but emphasized that the City had historically funded its EMS service in response to the level of service desired by Southport residents. She supported a dedicated workshop and public input before considering a significant change.

The Board discussed the importance of understanding the service Brunswick County could provide, including response times, maintaining an EMS presence in Southport, and whether resources assigned to Southport could be relocated elsewhere in the County.

Alderman Davis emphasized that the Board would need to understand both the actual financial savings and the potential effect on service. She also noted the operational relationship between the City's Fire and EMS functions.

Alderman Kelley supported further evaluation of the potential cost savings compared with any changes in service levels. Mayor Hatem noted that Southport had historically chosen to operate its own EMS system because County service alone had not provided the same level of care desired by the community.

City Manager Saldo advised that the County Manager was aware that discussions regarding EMS were occurring, and that staff could begin gathering information based upon the Board's direction.

The Board discussed the proposed employee merit compensation included in the budget. City Manager Saldo explained that the proposed budget contemplated a $500 merit bonus for full-time employees rather than a permanent merit increase to base salary.

The Board discussed the financial differences between a one-time merit bonus and an increase to base salary. Alderman Gross supported exploring a bonus structure because a permanent increase compounds over time and may affect other personnel costs. He also suggested considering a tiered merit bonus based upon employee performance.

Alderman Davis clarified that the merit bonus would replace what would traditionally be a performance-based merit salary increase. City Manager Saldo confirmed that the City would continue utilizing employee performance evaluations.

Staff cautioned that additional review was necessary to determine whether merit bonuses would still be subject to retirement or other employer contribution requirements.

The Board also discussed the distinction between merit compensation, cost-of-living adjustments, and longevity pay and reiterated the importance of remaining competitive with neighboring jurisdictions.

Alderman Kelley emphasized that many City employees commute into Southport and therefore have employment opportunities with other nearby jurisdictions. She stated that the City must remain competitive in compensation, benefits, and workplace environment. She also suggested evaluating positions as vacancies occur through retirement or other attrition rather than automatically filling every vacancy. The City could determine whether each position remained necessary before recruiting a replacement.

Alderman Carroll arrives.

Staff clarified that most part-time employees do not reach the 1,000-hour annual threshold and that many part-time positions within emergency services serve primarily in an on-call or fill-in capacity.

Alderman Davis requested clarification regarding the employment status and benefits of the City's two part-time engineers.

City Manager Saldo explained that both are classified as part-time employees. One does not receive employee benefits, while the other may become eligible for participation in the State retirement system if the applicable 1,000-hour threshold is exceeded. He further explained that paid holiday time for the applicable part-time employee had historically been granted at the City Manager's discretion.

Alderman Gross asked whether the City had considered selling three City-owned parcels near 11th Street and Hankinsville Road. He estimated that the properties could potentially generate between $200,000 and $300,000 if sold. For transparency, Alderman Gross disclosed that he owns property adjacent to the City-owned parcels.

City Manager Saldo stated that he was reviewing the City's property inventory to determine the purpose and continued municipal need for various properties and intended to return the matter to the Board following additional evaluation.

Alderman Davis requested that the review include underutilized City-owned buildings and facilities, specifically the Jaycee Building and Senior Citizens Building. She suggested a three- to five-year cost-benefit analysis comparing usage and revenue with maintenance and capital costs and potential sale value.

The Board generally supported evaluating City assets based upon current usage, operating and maintenance costs, revenue generation, market value, and potential future municipal uses.

The Board discussed a concept previously considered by the Cemetery Committee to establish a columbarium at the City cemetery.

Alderman Spencer questioned whether selling property and placing the proceeds into the cemetery's perpetual care fund could provide a simpler financial benefit. Alderman Davis suggested comparing the financial benefit of retaining and utilizing the property with its potential sale value.

Alderman Gross noted that a columbarium could provide a long-term revenue source rather than a one-time return from a property sale. Alderman Kelley stated that a City columbarium could provide an option for individuals with longstanding connections to Southport who are unable to obtain a traditional burial plot.

Mayor Hatem noted the limited number of remaining cemetery plots and stated that revenue from a columbarium could potentially assist with continued cemetery maintenance and preservation.

Alderman Gross asked about the City's on-call compensation programs and specifically questioned whether employees classified as exempt from overtime requirements should receive separate on-call compensation.

Finance Director Kronenwetter clarified that on-call compensation is utilized within Fire, Police, and Public Works.

Public Works Director Tom Stanley explained that one Streets employee and one Garage employee are placed on call each week and receive $150 each for the seven-day period. Employees must remain available to respond to emergencies and receive a minimum of two hours of compensation when called back to work.

Alderman Gross clarified that he supported on-call and callback compensation for hourly employees eligible for overtime. His concern was specifically whether exempt employees should receive additional on-call compensation.

Fire Chief Drew explained that the Fire Department rotates four individuals through weekly on-call responsibilities for emergency calls, equipment issues, staff questions, and other departmental needs.

Finance Director Kronenwetter indicated that additional guidance would be obtained regarding on-call compensation for exempt employees before any changes were considered.

Alderman Gross requested that the Board begin reviewing potential employee benefit adjustments individually to determine whether consensus existed for any of the proposed cost-saving measures.

Finance Director Kronenwetter explained that the City Manager's proposed budget reduced the City's contribution toward dependent health insurance from the existing 50% to 25%, resulting in approximately $59,000 in projected savings. Eliminating the contribution entirely would produce approximately another $59,000 in savings, while restoring the contribution to 50% would require approximately $59,000 to be added back to the proposed budget.

City Manager Saldo estimated that requiring employees to contribute $35 per month toward employee-only health insurance would generate approximately $36,000 to $38,000 annually.

Alderman Gross supported the proposed 25% dependent contribution, while Alderman Mosteller supported maintaining the existing 50% contribution. Members discussed the financial impact a reduction would have on employees currently utilizing dependent coverage.

The Board continued considering whether other areas of the budget could be reduced before reducing employee benefits.

The Board discussed the four additional Police Officer positions included in the proposed budget and whether savings could be achieved by adjusting the anticipated hiring dates.

Finance Director Kronenwetter estimated that delaying a Police Officer position by two months would save approximately $12,500 in compensation and benefits per officer. Members discussed whether the budget should reflect realistic recruitment and hiring timelines.

Lt. Burgess explained that the Department currently utilizes four part-time uniformed officers, generally employed by other law enforcement agencies, for training coverage, vacations, special events, and other staffing needs. The availability of qualified part-time officers has become increasingly limited. He stated that the four additional full-time positions were intended to bring the Department closer to its current staffing needs rather than create excess capacity. Additional officers would also provide coverage for training, court appearances, vacations, and other absences and reduce reliance upon overtime and part-time staffing.

Finance Director Kronenwetter explained that the proposed budget had reduced Police overtime by approximately $42,000 and reduced part-time funding based upon the assumption that all four additional officers would be hired. If only two officers were hired, approximately $70,000 in overtime and part-time funding could need to be restored. By comparison, the estimated cost of the second two full-time officers beginning in January was approximately $80,500.

Following discussion, the Board reached preliminary consensus to delay the anticipated start date for the first two additional Police Officer positions from July until September. Staff estimated that the adjustment would reduce the proposed FY 2026-2027 budget by approximately $26,378.

The Board continued evaluating the timing of the remaining two proposed positions, including whether they should be filled in January or later in the fiscal year. No preliminary consensus was reached to eliminate either of the remaining positions.

Staff and Board members estimated during the discussion that approximately $240,000 in additional reductions or revenues would be necessary at that stage of the workshop to eliminate the proposed property tax increase.

Finance Director Kronenwetter reported that adjustments already identified, including corrections to the merit compensation calculation and delaying the first two Police Officer positions until September, had reduced proposed expenditures by approximately $46,250.

Alderman Gross asked whether unspent FY 2025-2026 funds were expected to increase the General Fund balance. Staff advised that, because of revenue shortfalls, the City instead anticipated using fund balance during the current fiscal year, potentially approximately $1 million, although the final amount had not been determined.

Alderman Gross also discussed anticipated distributions from the Southport ABC Board. He reported that the ABC Board's draft FY 2026-2027 budget included approximately $264,000 for distribution to the City and stated that he intended to request that the ABC Board consider increasing the distribution to approximately $315,000. He acknowledged that the ABC Board would ultimately determine the amount.

The Board discussed whether additional revenue could be generated through the sale of surplus vehicles, equipment, or other City-owned assets.

The Parks and Recreation Department's bus and passenger vans were discussed. Finance Director Kronenwetter explained that the passenger vans are generally preferred for transporting children because they have seat belts and do not require a commercial driver's license. The older bus had been retained in part for emergency transportation or evacuation purposes.

The Board also requested a list of City-owned real property and parcel identification numbers for further evaluation of potential retention or disposition.

City Manager Saldo advised that another option for avoiding a property tax increase would be the use of additional General Fund balance. He cautioned that the Local Government Commission generally discourages relying upon fund balance for recurring operating expenditures but stated that a limited appropriation could be considered.

City Manager Saldo also noted that pending legislation related to the fire fee could affect the City's financial position and provide additional flexibility.

Alderman Gross expressed support for examining the use of fund balance if it would allow the City to maintain services while avoiding a property tax increase.

Alderman Gross proposed increasing Community Building rental rates for nonresidents while leaving resident rates unchanged. Members discussed whether the City's rates appropriately reflect the value of the waterfront facility.

Staff reported that approximately $310,000 in Community Building revenue had initially been projected for the current year, while actual revenue was approximately $270,000 at the time of the workshop. The proposed FY 2026-2027 budget conservatively projected approximately $260,000. Staff estimated that an additional rate increase could potentially generate approximately $10,000 to $15,000 in additional revenue.

The Board also discussed upcoming capital needs at the Community Building. City Manager Saldo identified exterior painting, estimated at approximately $14,000, and substantial repair or replacement of exterior handrails, estimated at approximately $70,000 to $120,000.

Public Works Director Stanley emphasized that continued investment and preventative maintenance would be necessary to maintain the facility and justify higher rental rates.

The Board expressed interest in reviewing the nonresident rental rate but did not establish a final rate during the workshop.

The Board returned to the proposal requiring employees to contribute $35 per month toward employee-only health insurance. Staff estimated that the contribution would generate approximately $37,800 annually.

Several Board members expressed concern that a flat contribution would have a greater financial impact on lower-paid employees. City Manager Saldo reiterated that the majority of comparable local governments reviewed by staff provide employee-only health insurance at 100% of the premium cost.

The Board conducted an informal straw vote on requiring employees to contribute $35 per month toward employee health insurance. The proposal did not receive majority support, with four members opposed and two in favor.

The Board's preliminary direction was therefore to continue providing employee-only health insurance without requiring the proposed $35 monthly contribution.

The Board next considered whether to maintain the City's existing 50% contribution toward dependent health insurance, reduce it to the 25% included in the City Manager's proposed budget, or eliminate the contribution.

Following discussion, the Board conducted an informal straw vote. Four members supported maintaining the existing 50% City contribution, while two supported reducing the contribution to 25%.

The Board's preliminary direction was therefore to maintain the City's contribution toward dependent health insurance at 50%. Restoring the contribution from the proposed 25% to the existing 50% increased the proposed budget by approximately $57,000.

Following incorporation of the Board's preliminary direction regarding dependent coverage and the delay of the first two Police Officer positions until September, staff reported that expenditures exceeded revenues by approximately $11,365. Staff estimated that approximately $251,000 in additional savings or revenues would then be required to eliminate the proposed property tax increase entirely.

Alderman Mosteller stated that the proposed 1.5-cent property tax increase would equate to approximately $30 annually on property valued at $200,000 and approximately $300 annually on property valued at $2 million.

Alderman Gross reiterated that he would not support a budget containing a property tax increase and urged the Board and staff to identify alternative reductions or revenues.

Other members emphasized that budget reductions should not disproportionately affect City employees or diminish the City's ability to provide services. Alderman Davis stated that she believed reductions could be identified elsewhere without reducing employee benefits.

The Board discussed Alderman Gross's proposal to change the City's existing 401(k) contribution for non-Police employees to a dollar-for-dollar employee match of up to 5%, while maintaining the existing contribution structure for Police Officers as a recruitment and retention benefit.

Staff reported that the City contributed approximately $301,000 toward employee 401(k) accounts during FY 2024-2025 and that current-year expenditures were tracking at approximately the same level.

Members acknowledged that the actual savings from a matching requirement could not be reliably calculated because employee participation could change.

Alderman Mosteller expressed concern that lower-paid employees may be less able to contribute enough to receive the City's maximum match. Alderman Davis questioned whether potential savings would effectively depend upon employees being financially unable or unwilling to participate at the full level.

Alderman Carroll questioned treating Police employees differently from other City employees and emphasized that recruitment and retention are important throughout the organization.

Alderman Davis ultimately stated that she did not support changing the existing 401(k) benefit based upon the information available. The Board continued discussing possible modifications to the proposal but did not establish preliminary consensus to change the existing 401(k) contribution during the workshop.

The Board discussed opportunities to reduce Parks and Recreation expenditures and whether certain programs or responsibilities could be reorganized.

Alderman Kelley asked whether some Parks and Recreation functions could potentially be incorporated into Community Relations. City Manager Saldo advised that Community Relations did not currently have sufficient staffing capacity to absorb the Department's major programming responsibilities, particularly youth programs.

The proposed FY 2026-2027 Parks and Recreation budget was approximately $757,000. City Manager Saldo stated that the Board could determine the appropriate funding and service level, with staff responsible for administering programs within the funding ultimately approved.

Alderman Davis stated that the Board's role was to determine the appropriate level of funding rather than manage individual programs or staffing decisions. She suggested that a broader evaluation of Parks and Recreation would be appropriate once the City had a Parks and Recreation Director available to provide professional recommendations regarding operations and priorities.

The Board discussed whether the City's before- and after-school program should be considered primarily a recreational program or a childcare service and whether the program should continue as a municipal function.

Alderman Carroll distinguished between basic childcare and a structured recreational program offering meaningful activities and experiences to children and families.

Alderman Gross expressed support for summer camp, basketball, and other recreational programs but questioned the before- and after-school program because of its limited enrollment and operating cost. He stated that approximately 13 children were participating and noted that some participants lived outside the City.

Finance Director Kronenwetter advised that determining the precise cost of the program was difficult because employee time was shared among multiple Parks and Recreation activities and was not tracked separately by program.

City Manager Saldo stated that discontinuing the program could potentially provide enough staffing flexibility to eliminate a position; however, the impact on other Parks and Recreation services would need to be evaluated before determining the actual savings.

Members discussed whether eliminating a Recreation Assistant position could affect summer camp, basketball, special events, and other programs. The Board noted that summer camp typically serves approximately 45 to 60 children per week and requires appropriate staffing.

The Board did not reach consensus on eliminating the before- and after-school program or a Parks and Recreation position. Additional information regarding program costs, staffing requirements, participation, and the effect on other recreational services was requested.

The Board discussed the broader range of recreational services offered by the City. Alderman Davis requested additional information regarding the number and cost of existing programs and noted community interest in additional adult and senior programming.

Alderman Carroll stated that if the City were simply operating a daycare service, the Board should reconsider that function; however, structured recreational programs providing meaningful services to children, adults, seniors, and families should be evaluated based upon their community value and operated efficiently.

Mayor Hatem stated that the City should continue to have a Parks and Recreation function and emphasized the importance of identifying both the community and monetary value of its programs.

The Board discussed opportunities to make greater recreational use of Taylor Field. Members discussed potential amenities, including bocce courts and other recreational features. Public Works Director Stanley stated that staff could research whether certain improvements could be constructed internally.

The Board also discussed the City's existing park rental structure and potential opportunities to generate additional revenue from City facilities and amenities.

Alderman Spencer expressed concern that much of the budget discussion had focused on reducing expenditures rather than identifying additional revenue opportunities.

Paid parking was discussed as one potential revenue source. Alderman Davis expressed concern about previous paid-parking projections that appeared to include spaces that may not realistically be available for public paid parking.

Alderman Carroll stated that he was not necessarily advocating for a comprehensive paid-parking program but believed the City could consider better management of high-demand downtown parking, including enforceable time limits.

Police Chief Coring explained that two-hour parking signs had previously been installed in certain areas but were removed because the City did not have an ordinance allowing the restrictions to be enforced.

The Board returned to the amount necessary to balance the proposed budget without increasing the property tax rate.

City Manager Saldo advised that staff had already reduced approximately $975,000 in operating expenditures from earlier budget requests and stated that additional significant reductions would likely require reductions to staffing or services or the use of fund balance.

Alderman Gross reiterated his opposition to the proposed 1.5-cent property tax increase. Alderman Mosteller emphasized the importance of continuing to adequately fund the City's capital needs and long-term infrastructure priorities.

The Board discussed the importance of maintaining a healthy fund balance.

Staff reported approximately $555,000 in General Fund interest earnings, and members noted that maintaining adequate reserves generates investment income while also protecting the City against emergencies and future financial needs.

City Manager Saldo explained that the proposed tax increase had been structured in part to address General Fund needs while maintaining the City's ability to fund capital priorities.

The Board also discussed pending fire-fee legislation. City Manager Saldo advised that additional fire-fee revenue, if enacted, could reduce the amount otherwise required from fund balance for debt-related expenditures and provide additional flexibility in balancing the General Fund.

Alderman Davis requested that staff return at the next budget meeting with clearly defined scenarios showing how the City could reach a balanced budget without increasing the property tax rate. She requested that the scenarios incorporate the various options discussed during the workshop, including program and staffing adjustments, additional revenues, smaller expenditure reductions, and the potential use of fund balance.

Alderman Gross stated that he would consider supporting the budget if approximately $251,000 in fund balance were necessary to eliminate the proposed property tax increase. The Board discussed whether smaller revenue increases and expenditure reductions could reduce the amount ultimately required from fund balance.

The general direction to the City Manager was to return with a revised budget scenario that maintained the existing property tax rate, utilizing available expenditure reductions, potential additional revenues, and fund balance as necessary.

Members expressed a preference for avoiding further reductions to employee compensation and benefits while maintaining necessary City services and addressing the Police Department's identified staffing needs.

Several members emphasized that they did not want to prescribe the precise combination of reductions, revenues, and fund balance to be used and instead requested that the City Manager and Finance staff develop the most appropriate combination to achieve the Board's stated goal.

The Board also acknowledged the need to continue evaluating longer-term revenue opportunities and service levels during the coming fiscal year rather than relying indefinitely upon fund balance to support recurring expenditures.

The Board requested that the FY 2027-2028 budget process begin earlier to provide additional time to review departmental requests, revenues, service levels, and potential budget adjustments.

City Manager Saldo explained that the current budget process had been affected by software conversions and the timing of final tax information received from Brunswick County. He stated that staff planned to begin the next budget process earlier while noting that some financial information would still not be available until later in the process.

E. Adjourn

A motion to adjourn was made by Alderman Carroll and seconded by Alderman Mosteller. Motion Carried Unanimously.

The meeting was adjourned at 12:26 pm.

____

Dr. Joseph P Hatem, Mayor

Attest:

____

Tori Deviney, City Clerk

BOARD OF ALDERMEN
AGENDA ITEM SUMMARY

DATE: 09/10/2026 **DEPARTMENT: Development Services**

PRESENTED BY: Maureen Meehan, Planning Services Director

ITEM SPONSORED BY: Development Services Department

ITEM/TOPIC: Public Hearing and Consideration of a 15-month moratorium on development permits for data centers.

COST: N/A **BUDGET LINE ITEM: N/A**

JUSTIFICATION: The Planning Board discussed the impacts of data centers on the environment, infrastructure, and citizens' health and recommended a moratorium on development applications for data centers and associated accessory structures at their July 16, 2026, meeting.

A public hearing for the consideration of a moratorium on data centers was called for September 10, 2026, at the August 6, 2026, Board of Aldermen meeting. Per N.C. Gen. Stat. § 160D-107 a local government must hold a legislative hearing according to N.C. Gen. Stat. § 160D-601. The hearing was advertised for two consecutive weeks in a local newspaper of general circulation in the city no less than 10 and no more than 25 days before the public hearing.

IMPACT IF NOT APPROVED: There are no regulations in place for Data Centers in the UDO. There can be unintended consequences due to lack of standards if a data center submits a zoning application for development. The Planning Board will continue refining the draft UDO language for data centers.

DEPARTMENT HEAD COMMENTS: Local governments may, on occasion, need to pause development permits when land-use regulations are not in place to address development trends. Per N.C. Gen. Stat. § 160D-107, local governments may adopt temporary moratoria following specific procedures. The first step in establishing a moratorium is holding a duly advertised public hearing.

ATTACHMENTS: Staff Memo and Ordinance establishing a temporary moratorium.

REQUESTED ACTION: Hold a public hearing for the consideration of a 15-month moratorium on development permits for data centers.

Vote on a 15-month moratorium on development permits for data centers.

PROPOSED MOTION:
Motion to open a public hearing for the consideration of a 15-month moratorium on data center development approvals.

Motion to approve and adopt an ordinance for a 15-month moratorium on data center development approvals.
OR
Motion to deny a moratorium on data center development approvals.

MEMORANDUM

To: Mayor Joseph P. Hatem, Members of the Board of Aldermen
From: Maureen Meehan, Planning Services Director
Date: September 10, 2026
Re: Public Hearing **-** Development Moratorium to Establish Data Center Regulations

Per N.C. Gen. Stat. § 160D-107, local governments may adopt temporary moratoria following specific procedures. The need to pause development approvals during regulatory updates is recognized, although local governments must be explicit about their needs and how and when they will be addressed.

Moratoria Procedure

A moratorium can be established by ordinance after holding a legislative hearing. The local government must provide public notice for the hearing.

- A moratorium lasting **60 days or less** must provide public notice in a newspaper of general circulation not less than seven days before the hearing.

- For moratoriums lasting **more than 60** days, the local government must follow the notice and hearing requirements of N.C. Gen. Stat. § 160D-601, which is publishing the notice in a newspaper of general circulation for 2 consecutive weeks at least 10 days and not more than 25 days prior to the hearing.

At the time of establishing a moratorium on development approvals the local government must address four (4) statements outlined in the statute. The statements are listed below and are included in moratorium adoption ordinance.

1. A statement of the problems or conditions necessitating the moratorium and what courses of action, alternative to a moratorium, were considered by the local government and why those alternative courses of action were not deemed adequate.

    - The City's current land use categories do not sufficiently account for the unique impacts of data centers, which include their potential scale, continuous operation, demand for infrastructure, cumulative effects on the community, and considerations related to coastal hazards and public safety. Recognizing these impacts is essential in land use and infrastructure planning.

2. A statement of the development approvals subject to the moratorium and how a moratorium on those approvals will address the problems or conditions leading to imposition of the moratorium.

- Development approvals subject to this moratorium include rezoning applications, major site plan applications, special use permits, building permit applications, and all other development approvals found in the Unified Development Ordinance for data centers, data processing facilities that are used for housing, operation, networking, management of storage, computers, telecommunications equipment, cloud-computing equipment, artificial intelligence computing equipment, crypto mining, or similar digital information technology systems, and associated utility and support infrastructure.

  The City considered processing applications under current regulations, relying on case-specific conditions, informal interpretations, an interim policy, unreviewed standards, and a shorter moratorium. The Board rejects these alternatives because they do not meet essential criteria such as objective standards, legal review, utility coordination, technical study, or public participation.

3. A date for termination of the moratorium and a statement setting forth why that duration is reasonably necessary to address the problems or conditions leading to the imposition of the moratorium.

   - The moratorium shall terminate on December 9, 2027, or upon the Board of Aldermen's adoption of Unified Development Ordinance amendments for data centers, whichever occurs first. The 15-month duration is reasonably necessary, but no longer than necessary, to complete the steps to develop a comprehensive amendment to the UDO, which includes legal, technical, utility, environmental, coastal-resilience, public-health, and emergency-services review; drafting of the language; state and regional coordination; public engagement; Planning Board recommendation and Board of Aldermen adoption; and implementation of the new UDO text. If the Board of Alderman determines before expiration that the conditions and/or issues warranting the moratorium have not been resolved, the Board may adopt an extension ordinance in accordance with N.C. Gen. Stat. § 160D-107(e).

4. A statement of the actions, and the schedule for those actions, proposed to be taken by the local government during the duration of the moratorium to address the problems or conditions leading to the imposition of the moratorium.

   - During the moratorium, the City shall take the following actions:

     <u>Review Current Rules</u>: Review current UDO classifications and development standards, comprehensive plan policies, statutory authority, utility jurisdiction, and applicable State and federal programs.

     <u>Review Existing conditions and capacity</u>: Evaluate existing zoning districts; electric, water, sewer, road, fire, emergency-service, stormwater, flood, storm-surge, wind, corrosion, public-health including water and air quality, noise,

lighting, and decommissioning issues; coordinate with Brunswick County planning and utilities, the Fire Marshal, emergency management, and appropriate state agencies.

Draft Ordinance Language: Define approval process (i.e., conditional zoning, major site plan, etc.), prepare definitions, assign specific use standards considering and not limited to size categories, campus aggregation, setbacks, buffers, design, lighting, energy and water consumption, water and air quality, cooling, noise, generators, batteries, coastal resilience, construction, monitoring, enforcement, expansion, and decommissioning provisions.

Public and stakeholder engagement: Conduct at least one public informational meeting or workshop; receive input from residents, businesses, property owners, utilities, emergency services, environmental and public-health professionals, and potential applicants; publish draft materials for review.

Planning Board Review: Present draft amendments and supporting analysis to the Planning Board; obtain a recommendation; complete legal, technical, administrative, GIS, and fiscal review; revise the draft as warranted.

Governing-board process: Authorize advertisement; provide required notice; conduct the legislative hearing; consider consistency and reasonableness; and adopt, revise, or deny permanent UDO standards.

Staff will provide progress reports to the Board of Aldermen according to the following approximate timelines, which could be subject to change:

9/9/26 – 4/28/27 – Data Center Subcommittee Develops Data Center Standards
9/10/26 – Board of Aldermen – Vote on 15 Month Data Center Moratorium
9/11/26 – Data Center Standards Development
10/28/26 – Calendar Status Check and Standards Status Due
Dates TBD – Data Center Public Input
10/29/26 – Data Center Standards Development
1/14/2027 – Calendar Status Check and Standards Status Due
1/15/27 – Data Center Standards Development
4/27/2027 – Final UDO Amendments Prepared for Planning Board Review
4/28/2027 – 7/8/2027 – Data Center Recommendation and Adoption
5/20/2027 – Planning Board – Data Center UDO Presentation and Recommendation
7/8/2027 – Board of Aldermen – Data Center UDO Presentation and Public Hearing
7/9/2027 – 12/9/2027 – Four-Month Cushion
12-9-2027 Moratorium Expiration

These statements, as presented, confirm the need for a moratorium on data center development approvals. Data centers are evolving, and staff must consider complex issues when evaluating development applications. Further, the public health, safety, and general welfare of Southport's citizens are of utmost importance. A moratorium gives staff time to develop ordinance language that balances protecting citizens with thoughtful development.

Recommendation

The Planning Board and Staff recommend approval of a 15-month moratorium on development approvals for data centers. The moratorium will provide sufficient time to develop and adopt comprehensive land use standards for data centers.

ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM ON DEVELOPMENT APPROVALS FOR DATA CENTERS WITHIN THE CORPORATE LIMITS OF SOUTHPORT, NORTH CAROLINA PURSUANT TO NORTH CAROLINA GENERAL STATUTE § 160D-107

WHEREAS, pursuant to N.C. Gen. Stat. § 160D-107, local governments may adopt an ordinance establishing a temporary moratorium on any development approval required by law except for the purpose of adopting or amending regulations for residential uses; and

WHEREAS, the City of Southport's Unified Development Ordinance (UDO) does not define data centers, data processing facilities, cryptocurrency mining, and other uses associated with data center processing facilities as specific uses; and

WHEREAS, the Board of Aldermen at their September 10, 2026, regular meeting held a legislative hearing regarding this temporary moratorium in accordance with N.C. Gen. Stat. § 160D-601; and

WHEREAS, the Board of Aldermen finds that this temporary moratorium will protect the public interest and welfare of the residents of the City of Southport until the City of Southport can assess the potential impact of such developments and regulations regarding the aforementioned uses are adopted; and

WHEREAS, the Board of Alderman finds that such temporary moratorium is a reasonable and necessary measure to allow City staff sufficient time to study these uses, engage with the public and stakeholders, and draft appropriate amendments to the City's UDO.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF SOUTHPORT BOARD OF ALDERMEN:

Section 1. A fifteen (15) month temporary moratorium is hereby imposed, commencing on September 10, 2026, and expiring on December 9, 2027, or upon the Board of Aldermen's adoption of the resulting UDO amendments addressing data centers, data processing facilities, cryptocurrency mining operations, and uses associated with data processing facilities not yet defined in Southport's UDO.

For the purposes of this moratorium, a data center, data processing facility, or cryptocurrency mining operation is a principal use or facility, including one or more buildings and associated utility or support infrastructure, primarily used for the housing, operation, networking, storage, processing of data or management of servers, computers, telecommunications equipment, cloud-computing equipment, artificial intelligence computing equipment, crypto mining, or similar digital information technology systems.

This includes accessory equipment and structures such as substations, transformers, battery storage, cooling systems, mechanical yards, fuel storage, and standby or emergency generators.

The moratorium does not include a routine server room accessory to another principal use, a public safety communications facility, or a small equipment room serving only the on-site occupant, electronic gaming operations, software development or sales offices, and internet cafes.

This moratorium does not apply to developments/projects that meet the exemptions classified under N.C. Gen. Stat. § 160D-107(c) and, therefore, are excluded from this moratorium as a matter of law.

This moratorium is not adopted for the purpose of developing or adopting regulations governing residential uses and is consistent with N.C. Gen. Stat. § 160D-107(a).

Section 2. In compliance with N.C. Gen. Stat. § 160D-107(d), the City of Southport Board of Aldermen makes the following statements:

(1) The City's current land use categories do not sufficiently account for the unique impacts of data centers, which include their potential scale, continuous operation, demand for infrastructure, cumulative effects on the community, and considerations related to coastal hazards and public safety. Recognizing these impacts is essential in land use and infrastructure planning.

(2) Development approvals subject to this moratorium include rezoning applications, major site plan applications, special use permits, building permit applications, and all other development approvals found in the Unified Development Ordinance for data centers, data processing facilities that are used for housing, operation, networking, management of storage, computers, telecommunications equipment, cloud-computing equipment, artificial intelligence computing equipment, crypto mining, or similar digital information technology systems, and associated utility and support infrastructure.

The City considered processing applications under current regulations, relying on case-specific conditions, informal interpretations, an interim policy, unreviewed standards, and a shorter moratorium. The Board rejects these alternatives because they do not meet essential criteria such as objective standards, legal review, utility coordination, technical study, or public participation.

(3) The moratorium shall terminate on December 9, 2027, or upon the Board of Aldermen’s adoption of Unified Development Ordinance amendments for data centers, whichever occurs first. The 15-month duration is reasonably necessary, but no longer than necessary, to complete the steps to develop a comprehensive amendment to the UDO, which includes legal, technical, utility, environmental, coastal-resilience, public-health, and emergency-services review; drafting of the language; state and regional coordination; public engagement; Planning Board recommendation and Board of Aldermen adoption; and implementation of the new UDO text. If the Board of Alderman determines before expiration that the conditions and/or issues warranting the moratorium have not been resolved, the Board may adopt an extension ordinance in accordance with N.C. Gen. Stat. § 160D-107(e).

(4) During the moratorium, the City shall take the following actions:

Review Current Rules: Review current UDO classifications and development standards, comprehensive plan policies, statutory authority, utility jurisdiction, and applicable State and federal programs.

Review Existing conditions and capacity: Evaluate existing zoning districts; electric, water, sewer, road, fire, emergency-service, stormwater, flood, storm-surge, wind, corrosion, public-health including water and air quality, noise, lighting, and decommissioning issues; coordinate with Brunswick County planning and utilities, the Fire Marshal, emergency management, and appropriate state agencies.

Draft Ordinance Language: Define approval process (i.e., conditional zoning, major site plan, etc.), prepare definitions, assign specific use standards considering and not limited to size categories, campus aggregation, setbacks, buffers, design, lighting, energy and water consumption, water and air quality, cooling, noise, generators, batteries, coastal resilience, construction, monitoring, enforcement, expansion, and decommissioning provisions.

Public and stakeholder engagement: Conduct at least one public informational meeting or workshop; receive input from residents, businesses, property owners, utilities, emergency services, environmental and public-health professionals, and potential applicants; publish draft materials for review.

Planning Board Review: Present draft amendments and supporting analysis to the Planning Board; obtain a recommendation; complete legal, technical, administrative, GIS, and fiscal review; revise the draft as warranted.

Governing-board process: Authorize advertisement; provide required notice; conduct the legislative hearing; consider consistency and reasonableness; and adopt, revise, or deny permanent UDO standards.

Staff will provide progress reports to the Board of Aldermen according to the following approximate timelines, which could be subject to change:

9/9/26 – 4/28/27 – Data Center Subcommittee Develops Data Center Standards
9/10/26 – Board of Aldermen – Vote on 15 Month Data Center Moratorium
9/11/26 – Data Center Standards Development
10/28/26 – Calendar Status Check and Standards Status Due
Dates TBD – Data Center Public Input
10/29/26 – Data Center Standards Development
1/14/2027 – Calendar Status Check and Standards Status Due
1/15/27 – Data Center Standards Development
4/27/2027 – Final UDO Amendments Prepared for Planning Board Review
4/28/2027 – 7/8/2027 – Data Center Recommendation and Adoption
5/20/2027 – Planning Board – Data Center UDO Presentation and Recommendation
7/8/2027 – Board of Aldermen – Data Center UDO Presentation and Public Hearing

7/9/2027 – 12/9/2027 – Four-Month Cushion
12/9/2027 Moratorium Expiration

Section 3. If any section, subsection, sentence, phrase, or part of this Ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, such is hereby declared severable and its invalidity shall not affect the validity of the remaining portions of this ordinance.

Section 4. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 5. This ordinance shall be effective on the date of adoption.

Adopted and effective this the ______day of ________, 2026.

____
Dr. Joseph P. Hatem, Mayor

CERTIFICATION

I, Tori Deviney, City Clerk of the City of Southport, North Carolina, do hereby certify the foregoing to be a true copy of an ordinance duly adopted at the meeting of the Board of Aldermen held on ______________________.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the seal of the City of Southport to be affixed this the day of ____________________, 2026.

(Seal)

ATTEST:

____
Tori Deviney, City Clerk

Chapter 6 EMERGENCY MANAGEMENT[1]

ARTICLE I. IN GENERAL

Secs. 6-1—6-25. Reserved.

ARTICLE II. STATE OF EMERGENCY

Sec. 6-26. Determination of emergency.

A state of emergency shall be deemed to exist whenever there is an occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or man-made accidental, military, paramilitary, terrorism, weather-related, public health, explosion-related, riot-related cause, or technological failure or accident, including, but not limited to, a cyber incident, an explosion, a transportation accident, a radiological accident, or a chemical or other hazardous material incident.

When it is determined by the Incident Commander that there is an emergency, the operation of the Emergency Operations Center shall be utilizing the National Incident Management System comprehensive approach to facilitate communications and operations between Departments including all phases of the emergency through recovery.

Activation Levels:

To facilitate the use of the EOC for a variety of emergencies, graduated levels of response to varying levels of events have been identified as outlined in the attached Appendix B. The EOC operates at a Normal Operations/Steady State level 24/7/365 to maintain situational awareness of potential disasters and to respond immediately to notifications of disasters. The response of the EOC may escalate through different activation levels, based on increasing incident demands.

Phases of Comprehensive Emergency Management

1. **Mitigation**: Mitigation activities are those designed to either prevent the occurrence of an emergency or minimize the potentially adverse effects of an emergency. Some mitigation activities include development of planning, storm water and zoning/building code ordinances and enforcement of those regulations on a day-to-day basis.

2. **Preparedness**: Preparedness activities, programs, and systems are those that exist prior to an emergency and are used to support and enhance the response to an emergency or disaster. Planning, training, and exercising are among the activities conducted under this phase.

[1]Cross reference(s)—Administration, Ch. 2; fire prevention and protection, Ch. 7; flood damage prevention, Ch. 8.

State law reference(s)—Emergency management generally, G.S. 166A-1 et seq.; county and municipal emergency management, G.S. 166A-7 et seq.

3. **Response**: Response activities and programs are designed to address the immediate effects of the onset of an emergency or disaster and help to reduce casualties and damage and to speed recovery. Response activities include direction and control, warning, evacuation, mass care, and other similar operations.

4. **Recovery**: Recovery activities involve restoring systems to normal. Short-term recovery actions are taken to assess damage and return vital life-support systems to minimum operating standards; long-term recovery actions may continue for many years.

Each emergency in the City should be classified into one of four Response Levels according to the scope and magnitude of the situation (see Emergency Operations Plan for more detail):

- Response Level 4: Non-emergency situation, facility readiness status maintained through planning sessions, training, drills, and exercises.
- Response Level 3: Controlled emergency without serious threat to life, health, or property which requires no assistance beyond initial first responders. Monitoring the situation with a goal to increase situational awareness.
- Response Level 2: Limited emergency with some threat to life, health, or property, but confined to a limited area but requires 24/7 monitoring. Credible threat, risk, or hazard detected.
- Response Level 1: Full emergency with major threats to life, health, or property involving a large population area and/or multiple municipalities or County-wide.

(Code 1974, § 2.61(a); Ord. of 3-19-20)

Sec. 6-27. Issuance of proclamation and Incident Commander

In the event that the Mayor finds that an emergency as herein defined exists, the Mayor is hereby authorized and empowered to issue a public proclamation declaring to all persons the existence of such a state of emergency, and, to more effectively protect the lives and property of people within the city, to place in effect any or all of the restrictions hereinafter authorized.

The Incident Commander is the Fire Chief and if he/she is not available, appoints a designee subject to the determination of the City Manager. The Incident Commander is decided based on the National Incident Management System and State and Federal protocols.

The ultimate responsibility for ordering an evacuation rests with the County and the local government. If a municipality is to be evacuated, the Mayor will issue the order. If the evacuation involves more than one jurisdiction, or an area outside of a municipality, the order will be issued on a County level by the Chairman of the County Commissioners, or his designated representative.

If the Mayor of Southport issues an evacuation order, the Police Chief and his/her staff should move traffic from the City to US 211 and 87 where the Sheriff's Department and N.C. State Highway Patrol will take over. Mutual aid in traffic control may be necessary as NC 211 and 87 and NC 211 and 133.

(Code 1974, § 2.61(b); Ord. of 3-19-20)

Sec. 6-28. Extent of restrictions.

Unless the Mayor provides otherwise, the emergency area includes the entire jurisdiction of the city, subject to the limitations contained in other sections of this chapter or state law. The Mayor declaring the state of emergency may declare that the emergency area includes part or all of the city's jurisdiction. The Mayor may exempt from all or any part of such restrictions the governing board of the city while serving in their capacities as board members, law enforcement officers, firemen and other public employees, doctors, nurses, employees of hospitals and other medical facilities; on-duty military personnel, whether state or federal; on-duty employees of public utilities, public transportation companies~~, and newspaper, magazine, radio broadcasting and television broadcasting companies;~~ and such other classes of persons as may be essential to the preservation of public order and immediately necessary to serve the safety, health and welfare needs of the people within the city.

(Code 1974, § 2.61(c); Ord. of 3-19-20)

Sec. 6-29. Imposition of restrictions.

During the existence of a proclaimed state of emergency, the mayor may impose by proclamation any or all of the following restrictions as the Mayor deems necessary or suitable to a particular state of emergency:

(1) Of movements of people in public places, including any of the following:

a. Imposing a curfew.

b. Directing and compelling the voluntary or mandatory evacuation of all or part of the population from any stricken or threatened area within the governing body's jurisdiction.

c. Prescribing routes, modes of transportation, and destinations in connection with evacuation.

d. Controlling ingress and egress of an emergency area, and the movement of persons within that area.

e. Providing for the closure, within the emergency area, of streets, roads, highways, bridges, public vehicular areas, or other areas ordinarily used for vehicular travel, except to the movement of emergency responders and other persons necessary for recovery from the emergency. In addition to any other notice or dissemination of information, notification of any closure of a road or public vehicular area under the authority of this section shall be given to the department of transportation as soon as practicable.

(2) Of the operation of offices, business establishments, and other places to or from which people may travel or at which they may congregate.

(3) Upon the possession, transportation, sale, purchase, and consumption of alcoholic beverages.

(4) Upon the possession, transportation, sale, purchase, storage, and use of gasoline, and dangerous weapons and substances, except that this subsection does not authorize prohibitions or restrictions on lawfully possessed firearms or ammunition. As used in this subsection, the term "dangerous weapons and substances" has the same meaning as it does under G.S. 14-288.1. As used in this subdivision, the term "firearm" has the same meaning as it does under G.S. 14-409.39(2).

(5) Upon other activities or conditions, the control of which may be reasonably necessary to maintain order and protect lives or property during the state of emergency.

(Code 1974, § 2.61(e); Ord. of 3-19-20)

Sec. 6-30. End of emergency.

A state of emergency and the restrictions and prohibitions declared pursuant thereto shall expire when terminated by the Mayor.

(Code 1974, § 2.61(d); Ord. of 3-19-20)

Sec. 6-31. Extension of curfew.

Any proclamation may be extended, altered, or repealed in any particular during the continued or threatened existence of a state of emergency by the issuance of a subsequent proclamation.

(Code 1974, § 2.61(f))

Sec. 6-32. Violations.

During the existence of a proclaimed state of emergency, it shall be unlawful for any person to violate any provision of any restriction imposed by any proclamation authorized by this section. The penalty for violating any of the sections of this Ordinance is $100 per incident.

(Code 1974, § 2.61(g))

Sec. 6-33. Enforcement.

The Mayor, and in his absence the Mayor Pro Tempore, and in the absence of both such officials the Chief of Police (or designee), are hereby authorized to enforce the provisions of this article for such periods of time as they shall deem necessary.

(Code 1974, § 2.62)

Sec. 6-34. Price-gouging.

(a) For a period of thirty (30) days from the declaration of a state of emergency by the Mayor or Board of Aldermen of the city, no person, merchant or business within the city shall sell any goods or provide any services at a price that is greater than one hundred fifty (150) percent of the amount charged for said goods or services immediately prior to the declaration of the state of emergency, except as shall be provided herein.

(b) Sales of goods or services above said prohibited price level shall be allowed only if the person or merchant can document by receipt or other form of verifiable paper-writing that the increase in price is due to an increase in price to the merchant of the item in question or increase in the costs of providing the service. Non-resident merchants or vendors not maintaining a place of business in Southport prior to the declaration of the state of emergency must document by receipt or other form of verifiable paper-writing the elevated price levels if the price charged for a particular item or service is greater than one hundred fifty (150) percent of the general market value charged by resident merchants or businesses.

(c) Violations of this chapter shall be punished in accordance with G.S. 14-3, the offense being a general misdemeanor.

(d) Each and every sale shall constitute a separate offense.

(Ord. of 6-12-97)

Sec. 6-35. 911 service.

(a) *Definitions.* As used in this section, these terms shall have the following meanings:

911 charge means a contribution to the local government for the 911 service start-up equipment costs, subscriber notification costs, addressing costs, billing costs, and nonrecurring and recurring installation, maintenance, service and network charges of a service and network charges of a service supplier providing 911 service pursuant to G.S. 62A-1 et.seq.

911 system or *911 service* means an emergency telephone system that provides the user of the public telephone system the ability to reach a public safety answering point by dialing the digits 911. The terms 911 system or 911 service also include "enhanced 911 service" which means an emergency telephone system that provides the user of the public telephone system with 911 service, and, in addition, directs 911 calls to appropriate public safety answering points by selective routing based on the geographical location from which the call originated and provides the capability for automatic number identification and automatic location identification features.

Exchange access facility means the access from a particular telephone subscriber's premises to the telephone system of a service supplier. Exchange access facilities include service supplier provided access lines, PBX trunks and centrex network access registers, all as defined by tariffs of telephone companies as approved by the North Carolina Utilities Commission. Exchange access facilities do not include service supplier owned and operated telephone pay station lines, or Wide Area Telecommunications Service (WATS), Foreign Exchange (FX) or incoming only lines.

Public Safety Telephone Act means North Carolina General Statute 62A-1 et.seq.

Service supplier means a person or entity who provides exchange telephone service to a telephone subscriber.

Telephone subscriber or *subscriber* means a person or entity to whom exchange telephone service, either residential or commercial, is provided and in return for which the same person or entity is billed on a monthly basis. When the same person, business, or organization has several telephone access lines, each exchange access facility shall constitute a separate subscriber.

(b) *Imposition.* Effective January 1, 2001, there is imposed a monthly 911 charge upon each exchange access facility subscribed to by telephone subscribers who exchange lines are within the corporate limits of the City ~~and served by the 911 service of Oak Island.~~

(c) *Charge.* There shall be a monthly 911 charge of fifty (50) cents established for each exchange access facility subscribed to by a telephone subscriber who exchange access line or lines are located within the corporate limits of the City ~~and which will be served by the 911 service of Oak Island.~~

~~(d) *Service supplier's responsibility.* Service suppliers shall be responsible for collecting and remitting to the Town of Oak Island all of the 911 charges as provided in the Public Safety Telephone Act and specified in this section.~~

(e) *Administration.* Administration and collection activities, as well as all financial accounting procedures necessary to enforce and give full effect to the provisions of this section, shall be conducted pursuant to and in strict conformity with the provisions of the Public Safety Telephone Act.

(f) *Public hearing.* The public hearing mandated by G.S. 62A-4(b)(2) as a condition precedent to adoption of this section was conducted by the Southport Board of Aldermen on August 9th , 2000.

(Ord. of 8-9-00, §§ 1—6)

~~Secs. 6-36—6-40. Reserved.~~

~~ARTICLE III. RESCUE SQUAD~~[2]

~~Sec. 6-41. Organization.~~

~~This organization shall be known as the Southport Rescue Squad, and the purpose of this squad shall be to operate and serve as a volunteer rescue squad in all ways, means and methods, including but not limited to, training and furnishing of first aid, protection of lives and properties, search and rescue operations and the providing of ambulance service to the Southport area on a nonprofit basis.~~

~~(Ord. of 2-10-77; Ord. of 2-8-07)~~

~~Sec. 6-42. Officers.~~

~~The officers of the rescue squad shall consist of a chief, assistant chief and other officers as shall be called for in the bylaws of the organization. The officers shall be elected by the members of squad according to the bylaws of said squad, and shall serve a term of one (1) year. The results of the election of officers shall be reported to the Board of Aldermen for the city at their regular December meeting of each year. Officers of the rescue squad are subject to the control and supervision of the Board of Aldermen and may be removed from office at any time by the Board of Aldermen at its discretion.~~

~~(Ord. of 2-10-77; Ord. of 2-8-07)~~

~~Sec. 6-43. Bylaws.~~

~~The members of the rescue squad shall adopt bylaws for the operation of the squad. The bylaws shall be submitted to the Board of Aldermen for approval and shall not be effective until approved by the Board of Aldermen. In the event that the bylaws conflict with state law or local law, the terms of the state or local law shall govern and prevail.~~

~~(Ord. of 2-10-77; Ord. of 2-8-07)~~

~~Sec. 6-44. Duties of the chief.~~

~~The chief shall have general control over all squad apparatus, personnel and equipment. The chief shall, at least once a month, arrange for suitable drills or instruction in the operation and handling of equipment, first aid, rescue work, and all other matters generally considered to be essential to proper rescue work and providing for the safety of life. The chief is to see that complete records are kept of all rescue calls and ambulance calls, condition and inventory of all vehicles and equipment, personnel and other information about the work of the squad. The chief is responsible for the formulation of the department's annual operating budget and is responsible for maintaining such budget.~~

[2]~~Editor's note(s)—Ord. of Feb. 8, 2007, amended art. III in its entirety to read as herein set out. Former art. III, §§ 6-41—6-47 pertained to the rescue squad. Formerly, Ord. of Feb. 10, 1977, enacted a new ch. 13, §§ 13.1—13.7. Said sections have been redesignated at the discretion of the editor as §§ 6-41—6-49 to better fit the format of the Code.~~

~~State law reference(s)—Financial support by municipalities for rescue squads, G.S. 160A-487.~~

~~(Ord. of 2-10-77; Ord. of 2-8-07)~~

~~Sec. 6-45. Assistant chief.~~

~~In the absence of the chief of the rescue squad from the city, or in the event of his/her being prevented from attending to his/her duties by sickness or otherwise, the assistant chief shall perform all duties required of the chief, and shall be clothed with the same authority as the chief.~~

~~(Ord. of 2-10-77; Ord. of 2-8-07)~~

~~Sec. 6-46. Duties of other officers.~~

~~Other officers of the squad shall assume those duties as designated by the chief of the squad and they shall perform those duties to the best of their ability and in a manner upholding their office.~~

~~(Ord. of 2-10-77; Ord. of 2-8-07)~~

~~Sec. 6-47. Membership.~~

~~Total membership of the squad shall be as designated in the bylaws of the squad. At the time of becoming an active member of the squad, the person must be at least sixteen (16) years of age and be a resident of the Southport area. A member must possess a sound mind and body, be a good citizen, and be of good moral character. Additional requirements and duties of members shall be as designated in the bylaws of the squad.~~

~~(Ord. of 2-10-77; Ord. of 2-8-07)~~

~~Sec. 6-48. Meetings.~~

~~Meetings of the squad shall be held on a regular basis, at least once per month. Attendance requirements for the squad shall be established in the bylaws to assure that squad members remain aware of proceedings of the squad and periodically update their training.~~

~~(Ord. of 2-10-77; Ord. of 2-8-07)~~

~~Sec. 6-49. Operations.~~

~~Provisions for the operation of the squad shall be established through the bylaws of the squad and day to day operation shall be controlled by a written set of rules and regulations, which shall be available to all squad members. The bylaws, rules, and regulations of the squad shall be subject to review of the Board of Aldermen of the city.~~

~~(Ord. of 2-10-77; Ord. of 2-8-07)~~

Chapter 7 FIRE PREVENTION AND PROTECTION

ARTICLE I. IN GENERAL

Sec. 7-1. Burning within city limits.

It shall be unlawful within the city limits to burn or set fire to building material scraps, garbage, hazardous refuse, industrial waste, refuse, or solid waste as defined in section 15-1 of the Code of Ordinances.

(Ord. of 3-14-96)

~~Sec. 7-2. Burning permits.~~

~~Burning permits for natural refuse may be issued by the building inspector upon application, subject to the following conditions:~~

~~(1) All burning shall be by permit only.~~

~~(2) Burning permits shall be issued by the building inspector and shall be good only for the date of issuance.~~

~~(3) Burning shall only be allowed between the hours of 7:00 a.m. and 9:00 p.m. All burning must be attended by the person obtaining the burning permit. Persons obtaining the burning permit shall be held responsible for the containment and extinguishing of the burning.~~

~~(4) Burning permits may be canceled by the building inspector, police officer, or Fire Department officer due to changing weather conditions, undue safety hazards, or health nuisances caused by smoke.~~

~~(5) Any burning not extinguished after 9:00 p.m. will constitute illegal burning and result in a fifty dollar fine.~~

~~(6) Any burning activity that requires the response of the Fire Department shall result in the expenses of the response being assessed to the person holding the burning permit or to the resident and/or owner of the property of which the burning originated.~~

~~(Ord. of 3-14-96)~~

Sec. 7-2. Burning Permits required for bonfire, cooking devices and gas fire pits.

~~It shall be unlawful to kindle a bonfire, knowingly to furnish the material for a bonfire, or to authorize such fire to be kindled or maintained on or in any street, avenue, road, lane, or public ground or upon any~~

~~private lot within the city limits unless a written permit so to do shall have first been secured from the building inspector.~~

~~(Ord. of 3-14-96)~~

Burning of solid waste prohibited in all areas within City limits.

Burning of solid waste is prohibited in all areas within the City limits; solid waste for this purpose includes, but is not limited to, refuse, recyclable material, white goods, brown goods, leaves, yard debris, yard debris created from lot clearing, cardboard, and all paper goods including newspapers, magazines, books, office paper products, etc. This section is not intended to prohibit or restrict the use of heating and/or cooking devices manufactured and approved for outdoor use when used in accordance with the manufacturers operating guide. Also exempt from these regulations are the following:

(1) ***Homemade cookers, fryers, and related devices intended for the preparation of foods.***

a. Device must be setback a minimum of 15 feet from any structure or ten feet from any property line.

b. Device must be properly maintained and kept in a safe and operable condition.

c. Device shall be constantly attended during use.

d. Pressurized water source, five-gallon bucket of water, or 2A fire extinguisher (minimum size) shall be available for immediate utilization for Class A fires.

e. All efforts shall be made to minimize the amount of smoke and odors produced by the device from impending upon neighbor's properties.

f. It shall be the responsibility of the property owner or legal tenant to ensure the proper extinguishments of the device.

(2) ***Ground and pit fires used solely for preparation of foods.***

a. Ground or pit fire areas shall be designed in a manner to restrict spread of fire to surrounding flammable materials, e.g., grasses, weeds, bushes, etc. The use of brick or masonry block surrounding the fire pit is recommended.

b. Ground or pit fires shall maintain a setback a minimum of 15 feet from any structure or ten feet from any property line.

c. Pressurized water source, five-gallon bucket of water, or 2A fire extinguisher (minimum size) shall be available for immediate utilization for Class A fires.

d. Fire shall be constantly attended until the fire is extinguished.

e. All efforts shall be made to minimize the amount of smoke and odors produced by the device from impending upon neighbor's properties.

f. It shall be the responsibility of the property owner or legal tenant to ensure the proper extinguishments of all fires.

(3) Bonfires *along the public* beach.

a. All beach fires shall maintain a minimum setback of 50 feet from any structure and 25 feet from dune vegetation.

b. Pressurized water source, five-gallon bucket of water, or 2A fire extinguisher (minimum size) shall be available for immediate utilization for Class A fires.

c. Beach fires must be always attended.

d. After bonfire has been extinguished, all burned debris must be removed from the burn site and disposed of properly.

e. Beach fires shall be prohibited between May 1 to November 15 as to prevent harm to nesting sea turtles.

f. Beach fires shall not be larger than four feet by four feet and be no higher than four feet.

g. Bonfires must be properly extinguished.

h. A permit must be obtained from the Fire Marshal's Office at least 24 hours in advance of the event. The permit fee is determined by the Board of Aldermen through their Master Fee Schedule.

(4) Gas Fire Pits

Gas Fire Pits are allowed in Southport but must adhere to specific regulations outlined in the City's ordinances. These regulations include restrictions on size, proximity to structures and property lines, and the need for a fire extinguisher or water source. If the City or County has issued a burn ban, this would temporarily prohibit all flames, including those from fire pits. It is crucial to check for any active burn bans before using a gas fire pit. Fire pits are permitted for heating and/or cooking purposes, provided they are manufactured and approved for outdoor use and used according to the manufacturer's instructions.

a. The size restrictions cannot exceed 3 feet in height or 2 feet in diameter.

b. A minimum distance of 15 feet from any structure and 10 feet from the property lines must be maintained.

c. A pressurized water source, a 5-gallon bucket of water, or a fire extinguisher must be readily available.

d. Fires must be constantly attended until completely extinguished.

e. Efforts should be made to minimize smoke and odors that may impact neighboring properties.

f. The property owner or legal tenant is responsible for ensuring the fire is properly extinguished.

g. A permit for using a Gas Fire Pit must be obtained at the Fire Marshal's Office for $100.00 which includes an inspection of the device with an annual inspection fee of $50.00.

~~Section 7-3 – Permits required for bonfire~~

~~It shall be unlawful to kindle a bonfire, knowingly to furnish the material for a bonfire, or to authorize such fire to be kindled or maintained on or in any street, avenue, road, lane or public ground or upon any private lot within the city limits unless a written permit to do so shall have been secured from the Building Inspector.~~

Sec. 7-4. Reserved.

Sec. 7-5. Deposit of ashes and matter liable to spontaneous combustion.

No person shall deposit ashes, smoldering coals, or embers, greasy or oily substances, or other matter liable to spontaneous ignition, within fifteen (15) feet of any wooden or plastered wall, partitions, fence, floor, sidewalk, lumber, hay, shavings, rubbish, or other combustible materials, except in metallic or other noncombustible receptacles. Such receptacles, unless resting on the ground outside the building, shall be placed on noncombustible stands, and in every case shall be kept at least two (2) feet from any wall or partition. Nothing in this section shall prevent the deposit of cold or wet ashes and cinders for the improvement of any unpaved alley or walkway.

(Code 1974, § 4.34)

Sec. 7-6. Accumulation of rubbish.

No person shall permit any accumulation of waste paper, weeds, litter or combustible or inflammable waste or rubbish of any kind to remain upon any roof or in any court, yard, vacant lot, or other open space. Every owner or occupant of property shall cut down and remove therefrom all weeds, grass, vines and other growth, which endangers the same or any other property, or which is likely to be fired.

(Code 1974, § 4.35)

Cross reference(s)—Solid waste management, Ch. 15.

Sec. 7-7. Removal of certain waste material.

No person making, using, storing or having charge or control of any shavings, excelsior, rubbish, sacks, bags, litter or combustible trash or waste, shall fail, neglect or refuse at the close of each day to cause all such material which is not compactly baled and stacked in an orderly manner to be removed from the premises or stored in noncombustible containers; provided, that this section shall not apply to saw mills, planing mills, or similar business establishments, where the usual litter or refuse is reasonably cared for and disposed of.

(Code 1974, § 4.36)

Sec. 7-8. Chimneys.

All chimneys, smokestacks or similar devices for conveying smoke or hot gases to the outer air, and the stoves, furnaces, fire boxes or boilers to which they are connected, shall be constructed in accordance with the building ordinances, and shall be maintained in such manner as not to endanger adjacent property.

(Code 1974, § 4.37)

Sec. 7-9. Encumbrances before or on fire exits.

No person shall at any time place any encumbrances of any kind whatsoever before or upon any fire escape, balcony or ladder intended as a means of escape from fire. It shall be the duty of every member of the Police and Fire Departments who shall discover any fire escape encumbered in any manner to forthwith report the same through his Department channels to ~~the Chief of the Fire Department~~, Fire Marshal, who shall immediately notify the owner, his agent or tenant, to remove such encumbrance and such encumbrance shall thereupon be immediately removed.

(Code 1974, § 4.38)

Sec. 7-10. Exit signs in theatres and motion picture houses.

Every exit in any theatre or motion picture house shall be plainly indicated by a sign bearing the word "Exit," which sign shall be kept lighted throughout each performance.

(Code 1974, § 4.39)

Sec. 7-11. Obstruction in tenements and apartment houses.

No dangerous obstruction shall be permitted in hallways of tenement houses or apartment houses.

(Code 1974, § 4.40)

Sec. 7-12. Passageways in places of public assemblage to be kept open; exit doors not to be fastened.

All doors, aisles and passageways within and leading into or out of the theatres, churches and all other places of public assemblage shall, during the entire time during which any show, performance, service, exhibition, lecture, concert, ball or other assemblage may be held therein, be kept adequately lighted and free from easels, signs, standards, campstools, chairs, sofas, benches and any other article or articles that might obstruct or delay the exit of the audience, congregation or assemblage; and doors of such buildings while occupied shall not be fastened so that they cannot easily be opened by anyone from within. No person shall sit or stand or remain seated or standing, nor shall the owner or operator of such place allow any person to remain, in any such place of public assemblage in any aisle under any circumstances, or in any exit, or passage required for the safe exit of the assemblage. Clear passage from all exits and on sidewalks outside of all theatres and other places of public assemblage shall be always maintained. No aisle, passageway or stairway in any store shall be obstructed with tables, show cases, or other obstructions during the hours such store is open to the public.

(Code 1974, § 4.41)

Sec. 7-13. Fire extinguishers

Hand or other portable fire extinguishers shall be installed in every store, factory, garage or other building where readily flammable material is stored, handled, kept, or sold.

(Code 1974, § 4.42)

Sec. 7-14. Dead wires to be removed.

It shall be unlawful for any electric light, telegraph, cable, or telephone company to permit any of their disconnected, dead, or unused wires to hang or remain on any pole, tree, or house where same has been formerly connected and in use, but all such wires shall be taken down and removed immediately upon notice by the Chief of Police. It shall be the duty of the Chief of the Fire Department to notify the Chief of Police whenever he has knowledge of such existing conditions.

(Code 1974, § 4.43)

Sec. 7-15. Burned telephone, telegraph and electric light poles to be scraped, etc.

It shall be unlawful for any telephone, telegraph, cable or electric light company to allow or cause to be allowed, any pole belonging to such company, which has been charred by fire, to remain in such condition longer than ten (10) days from the time of the fire. All such poles shall be scraped or removed.

(Code 1974, § 4.44)

Secs. 7-16—7-35. Reserved.

Editor's note(s)—Ord. of Apr. 10, 2003, repealed § 7-16, which pertained to pyrotechnics and derived from Code 1974, §§ 4.71—4.75.

Section 7-36. Food Trucks

The Chief of the Department or Fire Marshal has the authority to immediately shut down a food truck if it poses an immediate fire hazard to life or property or that has not been permitted. The adoption of the International Fire Code (IFC) and NFPA standards (specifically NFPA 96 and 58), allowing officials to order the immediate cessation of operations to protect life and property.

The Fire Marshal can issue notices of violation, corrective orders, stop-work orders, or summarily close down the operation for the following reasons:

1) Expired or Missing Inspections/Permits: Fire suppression systems require professional inspection every 6 months, and failure to have current tags can result in immediate shutdown.

2) Failed Inspection/No Permit: Food trucks must pass fire inspections (every 12 months) and display a current inspection sticker or permit. Operating without one can result in immediate shutdown.

3) Missing Suppression Systems: If a truck produces grease-laden vapors (using fryers, grills, flat tops) and lacks an automatic fire suppression system, it can be shut down.

4) Propane Hazards: Improperly secured propane tanks, leaks in the gas system, or lack of proper shutoff valves.

- **Excessive Grease Buildup:** Extensive, dangerous accumulation of grease in the hood or on equipment
- **Missing Extinguishers:** Lacking a Class K extinguisher (for grease) or a 2A:10BC extinguisher (for general/electrical fires), or missing annual tags on these extinguishers.
- **Improper Clearance:** Failing to maintain required, safe distances (often 10-15 feet) from buildings, other vehicles, or fire hydrants.

Specific Authority granted to Fire Marshals

1. **Summary Abatement:** The fire marshal can stop operation without notice if an inspection reveals an immediate threat to life.
2. **Permit Revocation:** If a food truck operates without a valid permit or violates the conditions of its permit, the fire marshal can prevent them from working.
3. **Removal of Vehicles:** The fire marshal has the power to remove a vehicle that is blocking a fire lane, fire hydrant, or emergency equipment.
4. **Inspection Enforcement:** If a vendor refuses an inspection, they may be forced to stop operating.
5. **A business assumes liability for a food truck to operate on their property, if a food truck operator fails to comply with a direct order from the Fire Marshal to close down and not operate, the Fire Marshal has a right and the authority to shut the business or event down until such food truck is under compliance or removed from the property.**

Criminal Charges and Court Action

- **Criminal Summons:** Ignoring a Fire Marshal or violating the Fire Code can lead to a Class 3 misdemeanor charge under N.C.G.S. 14-4 and 160A-175.
- **Contempt of Court:** Failure to comply with a summons or subpoena from a fire investigator can result in being brought before a court of record and punished for contempt.
- **Injunctive Relief:** The Fire Marshal can seek a court order to force compliance.

Page 9 – Chapter 7 - Fire Prevention and Protection

ARTICLE II. FIRE DEPARTMENT[1]

Sec. 7-36. Organization.

The Fire Department shall consist of the Chief of the Fire Department and enough firefighters (voluntary, part- or full-time) to maintain and operate the department. The ~~board of aldermen~~ City Manager shall appoint the Chief and the Fire Chief appoints all Officers of the Department and approves the appointment to the Department of all members, subject to the approval of the City Manager. The Fire Chief also organizes the Department as needed, subject to the approval of the City Manager. The Department may from time to time adopt its own rules and regulations governing the Department subject to the approval of the Board and or City Manager. However, any such rules and regulations shall include provisions for at least one (1) training period each

[1]Cross reference(s)—Officers and employees, § 2-111 et seq.

State law reference(s)—Authority to provide for organization, equipment and maintenance of a Fire Department, G.S. 160A-291.

month and that any member who is absent from two (2) consecutive meetings without a bona fide reason be dropped from the Department.

(Code 1974, § 4.1; Ord. of 6-14-18)

Sec. 7-37. Chief of the Fire Department.

Subject to the supervision ~~of the mayor and the board of aldermen~~ of the City Manager, the Chief of the Fire Department shall have the general control of the Department, the personnel, apparatus, and fire alarm system.

(Code 1974, § 4.2)

State law reference(s)—Appointment of chief, G.S. 160A-291.

Sec. 7-38. Assistant chief.

In the absence of the Chief of the Fire Department from the City, or in the event of their being prevented from attending to his duties by sickness or otherwise, the Assistant Chief shall perform all duties required of the Chief, and shall be clothed with the same authority as the Chief.

(Code 1974, § 4.3)

Sec. 7-39. Duty of chief in case of fire.

Whenever a fire shall occur in the City, it shall be the duty of the Chief of the Fire Department or his designee to report immediately to the place of the fire and to take active charge of the fighting thereof.

(Code 1974, § 4.4)

Sec. 7-40. General authority at fires.

~~(a) The officer in command shall have authority to summon aid and no citizen so summoned may refuse to help in extinguishing the fire or in protecting exposed property.~~

(a) During the continuance of a fire, the Fire Chief, or his Assistant ~~or the mayor~~ shall have authority to call upon any citizen to render assistance in pulling down or demolishing any building or in removing goods or furniture from a building on fire or in danger of fire, but not without the consent of the Officer of the Fire Department or the Police Department who may be in charge.

(b) It shall be unlawful to congregate on the streets or alleys near a fire in a manner which would interfere with the activities of the Fire Department. Fire Officers can escort people off the scene of a fire for their safety and the safety of the Fire Department.

(c) In the event of an alarm of fire, the apparatus of the Fire Department responding to it shall have the right-of-way in and upon all streets, lanes, alleys, and other public ways.

(d) The drivers of vehicles, upon the approach of fire apparatus shall immediately bring their vehicles to a stop on the right-hand side of the street in the direction in which they are facing and shall not move their vehicles until such apparatus has passed.

(e) It shall be illegal for vehicles to run over fire hoses or park in fire lanes. Civil penalties can be issued as outlined in Section 7-55.

(f) The blocking of fire hydrants or Fire Department Connections shall cost a penalty of $100.

(g) Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the Fire Marshal is authorized to require a key box to be installed in an approved location. The key box shall be of an approved type listed in accordance with UL 1037, and shall contain keys to gain necessary access as required by the Fire Marshal

(Code 1974, § 4.5)

Sec. 7-41. Chief to investigate cause of every fire.

Immediately after the occurrence of any fire, the Chief of the Fire Department or Fire Marshal shall investigate, or shall cause to be investigated, the cause, origin and circumstances thereof, and, as far as possible, shall determine whether such fire is the result of accident, carelessness or design. If he/she has reason to believe that such fire is of suspicious origin, he shall notify the proper authorities designated by law to pursue the investigation of such matters, and shall further cooperate with the authorities in the collection of evidence and in the prosecution of the case when properly instituted.

(Code 1974, § 4.6)

State law reference(s)—Investigation of fires and inspection of premises, G.S. 69-1 et seq.

Sec. 7-42. Record of fires to be kept.

The Chief of the Fire Department or his designee shall keep, or shall cause to be kept, an accurate record of all fires occurring in the City. For each such fire the following information shall be secured and kept:

(1) Location of premises.

(2) Owner.

(3) Brief description of premises, whether of brick, stone, concrete, iron or wood.

(4) How occupied, whether as dwelling, storehouse, factory, workshop or otherwise.

(5) Amount and nature of damage as to both real and personal property.

(6) Amount of insurance.

(7) Cause of fire.

(8) Date.

(Code 1974, § 4.7)

Sec. 7-43. Inspection to be made.

It shall be the duty of the Chief of the Fire Department or his designee to inspect or to cause to be inspected as often as may be necessary, but not less than four (4) times a year, all specially hazardous manufacturing processes, storages or installations of acetylene or other gases, chemicals, oils, explosives and inflammable materials, all interior fire alarms and automatic sprinkler systems, and such other hazards or appliances as may be necessary for the enforcement of the law and ordinances governing the same and for the safeguarding of life and property from fire. It shall also be the duty of the Chief of the Fire Department or his designee to inspect, or cause to be inspected, as often as may be necessary, but not less than twice a year in outlying districts and four (4) times a year in the closely built portions of the City, all buildings and premises except the interiors of private dwellings, for the purpose of ascertaining and causing to be corrected any conditions liable to cause fire or any violation of the provisions or intent of any ordinance of the City affecting the fire hazard. The Chief of the Fire Department or his designee shall also inspect commercial buildings once per year.

(Code 1974, § 4.8)

Sec. 7-44. Inspection to be made upon complaint.

Whenever any person shall make written complaint to the Chief of the Fire Department or the Fire Mashal that any business or premises constitutes a fire hazard, it shall be the duty of the Chief and Fire Marshal to have the same inspected immediately.

(Code 1974, § 4.9)

Sec. 7-45. Chief to order fire hazards remedied.

Whenever the Chief of the Fire Department or Fire Marshal shall find that any building or any premises constitutes a fire hazard, for any reason, he shall serve or cause to be served upon the owner and the occupant of such building a written notice specifying the condition complained of, ordering the same to be remedied promptly, and indicating what is considered a reasonable time for compliance with such order.

(Code 1974, § 4.10)

Sec. 7-46. Service of order.

The service of any such order may be made upon the occupant of the premises to whom it is directed, either by delivering a copy of the same to such occupant personally or by delivering the same to and leaving it with any person in charge of such premises or in case that no such person is found upon such premises, by affixing a copy thereof in a conspicuous place on the door to the entrance of such premises and mailing a copy of the notice by certified mail to the owner(s). In case the owner of such premises is some person other than the occupant thereof, service of such notice may be made by delivering a copy of such notice to such owner personally or by mailing such copy to his last known address by certified mail. If the occupant or owner is a partnership, service upon any partner shall be sufficient; and if a corporation, upon any officer or any local agent thereof.

(Code 1974, § 4.11)

Sec. 7-47. Failure to comply with order unlawful.

It shall be unlawful for any occupant or any owner of such building or premises to fail to comply within a reasonable time after service of any such order with the requirements thereof.

(Code 1974, § 4.12)

Page 14 – Chapter 7 - Fire Prevention and Protection

Sec. 7-48. Right to enter a building or premises.

The Chief of the Fire Department, and any member of the Fire Department when so directed by the Chief, shall have the right to enter any building or premises, at any reasonable hour, for the purpose of making any inspection provided for by this article.

(Code 1974, § 4.13)

~~Sec. 7-49. Assistance by citizens in extinguishing fires, protecting property.~~

~~During the continuance of any fire, the chief and each of the captains of the Fire Department shall have the power to call on any and all persons to assist in extinguishing such fire, or in removing any goods, wares, merchandise or furniture from any building on fire, or in danger, to some place of safety. No person shall fail to obey any such order.~~

~~(Code 1974, § 4.14)~~

Sec. 7-50. Citizens to keep out of way at fires.

No person shall stand or be in any street, alley or square where or near where a fire is in progress, in such a way as to interfere with the duties of the Fire Department.

(Code 1974, § 4.15)

Sec. 7-51. Interference with firefighters or fire apparatus prohibited.

No person shall interfere with a firefighter in the discharge of his duty, or hinder him in the performance of such duty; nor shall any person other than members of the Fire Department, loiter about any fire station, or change, handle or meddle in any manner with any fire engine or any other fire apparatus. Blocking a fire hydrant or Fire Department Connection will be assessed a $100 fine, as will be running over a fire hose.

(Code 1974, § 4.16)

State law reference(s)—Interfering with firefighters, G.S. 69-39 et seq.

Sec. 7-52. Only firefighters may ride on trucks without permission.

No person other than a bona fide member of the Fire Department shall mount any fire engine, wagon, or apparatus before it leaves the station or while on its way to or from a fire, or at any other time, unless by permission of the driver or officer in command of such engine, wagon, or other apparatus.

(Code 1974, § 4.17)

Sec. 7-53. Interfering with fire alarm apparatus.

No person shall interfere carelessly or willfully with the City's fire alarm system or injure the poles, wires, boxes or other apparatus connected therewith.

(Code 1974, § 4.18)

State law reference(s)—Molesting fire alarms, G.S. 14-286.

Sec. 7-54. False alarms of fire.

~~No person shall give or cause to be given any false alarm of fire by means of the city fire alarm system or otherwise.~~

~~(Code 1974, § 4.19)~~

Sec. 7-54. False alarms of fire.

(a) *Purpose.*

(1) The purpose of this section is to encourage alarm users and alarm companies to maintain the operational reliability of alarm systems and to properly use alarm systems to reduce or eliminate false/accidental alarm dispatches of fire apparatus.

(2) This section governs systems intended to summon a fire response, and establishes a fee associated with penalties for violations.

(b) *Definitions.*

(1) For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

Alarm business: The business by any individual, partnership or corporation serving, repairing, altering, replacing, moving, or installing any alarm system, or causing to be sold, leased, maintained, serviced, repaired, altered, replaced, moved, or installed any alarm system in or on any commercial or residential building, structure, or premises, and shall not include any other activity of the business.

Alarm dispatch request: A notification to Public Safety officials by an alarm company that an alarm has been activated at an alarm site.

Alarm installation: Any alarm device or combination of devices installed for one or more commercial or residential buildings, structures, or premises.

Alarm system: A device or series of devices, including, but not limited to, systems interconnected with a radio frequency signal, which are designed to warn of fire by emitting or transmitting a remote or local audible, visual, or electronic signal indicating an alarm condition that may require attention by a fire department.

Automatic telephone dialing device or digital alarm communication system: An alarm system that automatically sends a prerecorded voice message or coded signal over regular telephone lines by direct connection or any other digital method indicating the existence of the emergency that the alarm system is designed to detect.

Alarm: The activation of an alarm signal that produced either an audible sound that can be heard from the interior or exterior of a commercial or residential building, structure, or premise housing the alarm system, or the emission of a signal to a direct monitoring service which in turn notifies the Brunswick County Communications Center or directly notifies local officials that an alarm has been activated.

False fire alarm: Any transmitted alarm signal in which there is no sign of smoke, fire or water-flow conditions.

(c) *General regulations.*

(1) The alarm user shall maintain the premises and the alarm system in a manner that will minimize or eliminate false/accidental alarm dispatches and activate the alarm only for the occurrence of events it was designed to report.

(2) The alarm user shall respond or cause a responsible representative to respond to the alarm site within 30 minutes when notified by officials.

(3) Each alarm user shall furnish to the City in writing the names and telephone number of at least one, but no more than five, persons authorized and able to deactivate the alarm system.

(4) The alarm user shall adjust the mechanism or cause the mechanism to be adjusted so that an alarm signal audible on the exterior of the alarm site shall sound no longer than 15 minutes, requiring an automatic reset.

(d) *Alarm response.*

(1) It shall be determined that three or more fire false alarm within a 12-month period is excessive and constitutes a public nuisance. The City will allow three fire false alarm responses to any alarm user within any calendar year without penalty. A civil penalty shall be issued for any excess false alarm responses as outlined in the Board of Aldermen's Master Fee Schedule which can be found on the City's website, or at the City Clerk or Fire Department. No one-day combined civil penalties shall exceed $500.00 for false alarms.

(2) No fee shall be assessed if the false/accidental alarm dispatch is:

a. Caused by a hurricane, tornado, or lightning strike where there is clear evidence of physical damage to the alarm system.

b. Activated by an electrical power outage to the electric meter on the commercial or residential building housing the activated alarm system.

c. An alarm system activated during alarm system tests conducted by the fire marshal's office for the purpose of computing alarm times.

(3) No fee shall be assessed if the alarm is caused by:

a. Actual fire.

b. Smoke condition without fire.

c. Sprinkler water-flow has tripped system due to a sprinkler head activating with or without fire.

(e) *Prohibited acts.* Except for alarm testing as provided in subsection (d), it shall be unlawful for any person to knowingly activate an alarm when no fire exists.

(f) *Enforcement of violations.*

(1) This section shall only apply and be enforced within the City where the City's Fire Marshal has jurisdiction. The City's Fire Chief and Fire Marshal shall have enforcement authority of this section.

(2) Civil penalties under subsection (d), if not paid within 15 days of the issuance of the citation, may be recovered by the City in a civil action as a debt.

(3) As of the effective date of this section, alarm users shall be deemed to have zero alarm responses for the purposes of subsection (d).

(g) *Collected funds.* All collected funds will be placed in an account to be designated for the City's fire prevention programs. The Fire Chief will recommend funding of the prevention program.

(Ord. of 9-16-2005(1); Amend. of 4-8-2014(2))

State law reference(s)—Giving false alarms, G.S. 14-286.

Sec. 7-55. Protection of fire hose.

It shall be unlawful for any person to drive over, or in any way damage or mutilate any fire hose while in use at a fire or otherwise.

(Code 1974, § 4.20)

State law reference(s)—Driving over a fire hose, G.S. 20-257.

Sec. 7-56. Following fire equipment.

It shall be unlawful to follow any fire apparatus which is responding to a call by automobile or any other vehicle, unless such is used for transporting firefighters to the scene of a fire, at a distance closer than one (1) city block, or to pass such apparatus or to park within the same block in which a fire is in progress.

(Code 1974, § 4.21)

State law reference(s)—Following fire apparatus, G.S. 20-157(b), (c).

~~Sec. 7-57. Election of officers.~~

~~Each fire company shall elect or appoint its own officers under its own rules and regulations and shall prescribe their duties and terms of office. Provided, however, that all fire companies, shall at all times be subject to such rules and regulations, formulated by the board of aldermen.~~

~~(Code 1974, § 4.22)~~

~~Sec. 7-58. Membership qualifications.~~

~~All members of the Fire Department must be residents of the city and not less than eighteen (18) nor more than fifty (50) years of age at the time of becoming a member.~~

~~(Code 1974, § 4.23)~~

~~Sec. 7-59. Membership limit.~~

~~At no time shall the membership of any fire company exceed the number set and authorized by the board of aldermen.~~

~~(Code 1974, § 4.24; Ord. of 6-14-18)~~

Sec. 7-60. Records to be kept.

A record of all accounts and expenses of the Fire Department showing the receipts and disbursements for the Department shall be kept by the ~~city auditor~~ Finance Director, as the receipts and disbursements of the active Department under the City government are kept. The treasurer of the respective companies shall keep a record of the funds, and the disbursements thereof, received from other sources; which shall always be open to inspection by the Board of Aldermen and City Manager.

(Code 1974, § 4.25)

Sec. 7-61. Fire protection outside of city.

In the event that the City agrees with the County, or the owners of property outside the City, to provide fire protection therefor, any employee of the Fire Department, while engaged in any duty or activity outside the corporate limits of the City pursuant to orders of the Fire Chief or Board of Aldermen, shall have all of the jurisdiction, authority, rights, privileges, and immunities, including coverage under the workmen's compensation laws, which they have within the corporate limits of the City.

(Code 1974, § 4.26)

State law reference(s)—Fire protection outside the municipality, G.S. 160A-293.

Sec. 7-62. Mitigation rates.

(a) The Southport Fire Department shall initiate mitigation rates for the delivery of emergency services by the Fire Department for personnel, supplies, and equipment to the scene of motor vehicle incidents and other emergency incidents as listed in "Exhibit A." The mitigation rates shall be based on actual costs of the services and that which is usual, customary, and reasonable (UCR) as shown in "Exhibit A," which may include any services, personnel, supplies, and equipment and with baselines established by addendum to this document.

(b) The mitigation rates shall be filed to the responsible party, representing an add-on cost of the claim for damages of the vehicles, property, and/or injuries. The claim costs shall be filed to the insurance coverage of the owner of a vehicle, owner of property, or responsible parties. In some circumstances, the responsible party will be billed directly.

(c) The Board of Aldermen may make rules or regulations and from time to time may amend, revoke, or add rules and regulations, not consistent with this section, as they may deem necessary or expedient in respect to billing for these mitigation rates or the collection thereof.

(d) These mitigation rates will only apply to persons not residents of the City of Southport. Residents within the City of Southport currently subsidize these emergencies service costs through their property taxes and fire fees. Responses involving intoxicated drivers, hazmat clean-up, and negligent acts may be subject to all applicable rates regardless of residency.

(Ord. of 6-12-14(1), §§ 1—3, 6)

Editor's note(s)—Exhibit A was not included in the codification of this section and can be found on file in the office of the City Clerk.

Secs. 7-63—7-80. Reserved.

ARTICLE III. INFLAMMABLE LIQUIDS

Sec. 7-81. Keeping of gasoline, etc.

(a) It shall be unlawful for any person to keep or store more than five (5) gallons of gasoline in the corporate limits of the city, provided, however, that more than five (5) gallons and not exceeding five hundred (500) gallons of gasoline may be kept as follows:

(1) If contained in a tank or suitable receptacle placed under the ground and entirely covered and maintained in compliance with all state and federal regulations pertaining thereto, provided, however, that such receptacle is equipped with a pump for drawing out the gasoline.

(2) In a tank or suitable receptacle of three hundred (300) gallons or less capacity placed above ground.

(3) In a tank or suitable receptacle placed above ground pursuant to section 7-83 for more than three hundred (300) gallons.

(b) The prohibition in this section shall not apply to gasoline contained in an automobile or other machine of any kind and provided further that dealers in gasoline may handle or keep stored gasoline outside of that portion of the City known as the "fire limits" when such material is stored in iron or steel tanks separate from any building used for any other purpose in compliance with section 7-83. Whenever any gasoline is kept in any quantity, there shall be displayed over the receptacle a clear, legible sign bearing the words "Gasoline Danger" and provided, further, that all persons keeping gasoline in any quantity shall notify the chief of the Fire Department, Fire Marshal and the Chief of Police in writing of the amount ordinarily to be kept and of the exact location thereof.

(Code 1974, § 4.81; Ord. of 11-9-89(2), § 4.81)

Sec. 7-82. Keeping of kerosene and illuminating oils.

It shall be unlawful for any person to keep or store in any part of the City, more than three (3) barrels of kerosene, or illuminating oils. Any person having kerosene or illuminating oils on any premises, shall cause to be displayed a clear and legible sign bearing the words "Kerosene—Danger," or "Oils—Danger," respectively. Any person having kerosene or illuminating oils on the premises, shall notify, in writing, the Chief of the Fire Department and Chief of Police, as to the amount ordinarily kept and of the exact location. Dealers in kerosene and illuminating oils may handle or store such material outside the fire limits of the City when such material is stored in iron or steel tanks separated from any building used for any other purpose, or when such material is stored in a building constructed of brick or stone, covered with an iron roof or an arched roof of stone, brick or concrete, with no opening except the doors, which shall be covered with iron or steel.

(Code 1974, § 4.82)

Sec. 7-83. Storage tanks.

No person shall place or cause to be placed within the corporate limits of the City any tank or other storage facility above ground of over three-hundred-gallon capacity for the placing or storage therein of kerosene, fuel oil, gasoline, propane gas or other inflammable substance, whether in liquid, gaseous or other form, unless such aboveground fuel tanks are maintained in accordance with National Fire Protection Association Regulations 30-1987 and the foundation and tie-downs are certified by a state registered engineer where the ground is unstable and in a flood zone. Prior to placing a storage of over three-hundred-gallon capacity facility above ground, application shall be made to the Building Inspector.

(Code 1974, § 4.83; Ord. of 11-9-89(2), § 4.83)

~~Sec. 7-84. Storage inside buildings.~~

~~(a) For purposes of this section, class I liquids shall include those having a flash point below one hundred (100) degrees Fahrenheit, and class II liquids shall include those having a flash point at or above one hundred (100) degrees Fahrenheit and below one hundred forty (140) degrees Fahrenheit.~~

~~(b) It shall be unlawful for any person, being the owner or occupant of any building to store, keep or maintain, or to permit the storing, keeping or maintaining, of more than ten (10) gallons of class I and class II liquids combined with any habitable building within the city.~~

~~(c) It shall be unlawful for any seller of or dealer in any class I or class II liquid to dispense any such liquid into any container inside any habitable building within the city.~~

~~(d) This section may be enforced by injunction and order of abatement by the general court of justice, as provided in G.S. 160A-175(e).~~

~~(Ord. of 9-13-79, §§ 1, 2)~~

Secs. 7-85—7-100. Reserved.

ARTICLE IV. FIRE PREVENTION CODE

Sec. 7-101. Adopted.

The most current edition of the North Carolina Fire Prevention Code with all appendices adopted by the North Carolina Building Code Council, including all subsequent amendments or revisions duly adopted, are hereby incorporated by reference and shall be applicable and enforceable within the corporate limits and extraterritorial jurisdiction of the City of Southport. The listed standards and publications which comprise a part of the North Carolina Fire Prevention Code, as same may be periodically revised and updated, shall be applicable and enforced within the city's jurisdiction.

(Ord. of 5-14-92; Ord. of 9-10-15(1))

Sec. 7-102. Inspection permit fee.

A fee ~~of thirty-five dollars ($35.00)~~ shall be charged for each building inspected that is existing. A general permit ~~of twenty dollars ($20.00)~~ shall be for any required permit in chapter 4. These permits will be under the discretion of the Building Code Official and the price of each permit is outlined in the Board of Aldermen adopted Master Fee Schedule as outlined on the City of Southport's Website or in the Building Department.

(Ord. of 5-14-92)

~~Sec. 7-103. Burning permits.~~

~~Burning permits to be given out by the Fire Department or City Manager but the fire prevention code officer shall have authority to cut off permits during hazardous times such as dry or windy weather.~~

~~(Ord. of 5-14-92)~~

Sec. 7-104. Penalty and Citations

Failure to abide by Volume V of the Fire Prevention Code, shall constitute a misdemeanor punishable in accordance with section 1-6 and available at the City Clerk and the Fire Department. Any person who shall violate any of the provisions of this Chapter or who fails to comply therewith, or who shall violate or fail to comply with any order made under this chapter, or who shall build in violation of any detailed statement of specifications or plans submitted and approved under this Chapter, or any certificate or permit issued under this Chapter, and from which no appeal has been taken, or who shall fail to comply with such an order as affirmed or modified by the authorities designated by ordinance or by a court of competent jurisdiction, within the time fixed in this chapter, shall severally for each and every such violation and noncompliance, respectively, by guilty of a misdemeanor. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue; and all such persons shall be required to correct or remedy such violations or defects within a reasonable time; and when not otherwise specified, each day that prohibited conditions are maintained shall constitute a separate offense. Upon violation of any provision of this Chapter, the City may enforce this Chapter by criminal or civil proceedings, or by any other remedy provided for under G.S. 160A-175, or section 1-7 of this Code.

(Ord. of 5-14-92)

2:57 PM Mon Mar 23 LTE 21%

Mail Calendar

Civil Citations
DOCX

Edit in Word

901	Sprinkler/standpipe needs testing	$100.00
901	Fire alarm system needs testing	$100.00
1005.1	Storage in or on fire escape (Immediate)	$100.00
1005.1	Blocked egress (Immediate)	$100.00
1005.1	Locked exit doors (Immediate)	$100.00
1005.1	Overcrowding (Immediate)	$500.00
1003.6	Fire exit or aisle blocked (Immediate)	$100.00
315.2.2	Storage in or on fire escape (Immediate)	$100.00
1003.6	Exit or egress door needs repair	$50.00
315.2.2	Blocked stairwells or stairways (Immediate)	$100.00
1006.1	Exit illumination and marking	$50.00
1011.1	Absence of required exit directional signs	$50.00
404.2	Approved fire evacuation plan required	$50.00
405.5	Fire drill performance not acceptable	$50.00
405.2	No monthly fire drill reported	$50.00
3405.3	Improper use of flammable liquids (Immediate)	$100.00
3404.3.5	Flammable liquid not stored according to code	$50.00
3405.2.5	Improper dispensing of flammable liquid (Immediate)	$100.00
3404.4.3	Above-ground tanks not diked	$50.00
2703.2.4	Tank installation not according to code	$50.00
3404	Tank storage not according to code	$50.00
1504.1	Spray painting in non-approved area	$100.00
1504.1.2	Spray booth not complying to code	$100.00
3003.5.3	Compressed gas cylinders not secured	$50.00
105.1.2	No hazardous materials permit	$50.00
2704	Chemical storage is not according to code	$100.00
1004.3	Maximum occupancy not posted	$50.00
308.1.4	Use of open flame cooking device	$50.00
105.1.1	Failure to get tank work permit prior to work	$200.00
105.2	Failure to obtain permits required by code	$200.00
906.2	Portable fire extinguisher needing serving, tags, maintenance	$50.00
904.4	Alternative Automatic Fire-Extinguishing Systems needs testing	$100.00
112.1	All other violations of the code	$50.00

NOTE: The term "Immediate" as it appears above means that the fire code official may issue a citation immediately and the violation must be corrected by the violating party immediately.

2:57 PM Mon Mar 23 LTE 21%

Mail Calendar

Civil Citations
DOCX

Edit in Word

Fire Code Reference	Violation Description	Penalty Amount
Civil Penalties for non-compliant conditions or activities are as follows:		
105.3.5	Permit not posted or kept on premises	$50.00
307.2	Unpermitted open burning (Immediate)	$50.00
308.1.2	Careless use of ignited object (Immediate)	$50.00
603.7	Use of non-approved heating appliance	$50.00
703.1	Breach in fire wall/fire stops	$50.00
703.2	Fire or exit door inoperative	$100.00
703.2	Fire tower door open (Immediate)	$100.00
703.2	Opening protectives not maintained per NFPA 80	$50.00
310.3	"No Smoking" signs not posted where appropriate	$50.00
310.2	Smoking in prohibited areas (Immediate)	$100.00
901.4	Sprinkler or fire alarm inoperable	$100.00
507.5.2	Fire hydrants not complying with code	$50.00
903.1	Sprinkler system not complying with code	$50.00
905.1	Standpipe system not complying with code	$50.00
315.2.1	Sprinkler head(s) blocked/covered (Immediate)	$50.00
505.1	Street address numbers not posted	$50.00
505.1	Street address numbers not visible	$50.00
901	Sprinkler/standpipe needs testing	$100.00
901	Fire alarm system needs testing	$100.00
1005.1	Storage in or on fire escape (Immediate)	$100.00
1005.1	Blocked egress (Immediate)	$100.00
1005.1	Locked exit doors (Immediate)	$100.00
1005.1	Overcrowding (Immediate)	$500.00
1003.6	Fire exit or aisle blocked (Immediate)	$100.00
315.2.2	Storage in or on fire escape (Immediate)	$100.00
1003.6	Exit or egress door needs repair	$50.00
315.2.2	Blocked stairwells or stairways (Immediate)	$100.00
1006.1	Exit illumination and marking	$50.00
1011.1	Absence of required exit directional signs	$50.00
404.2	Approved fire evacuation plan required	$50.00
405.5	Fire drill performance not acceptable	$50.00
405.2	No monthly fire drill reported	$50.00
3405.3	Improper use of flammable liquids (Immediate)	$100.00
3404.3.5	Flammable liquid not stored according to code	$50.00
3405.2.5	Improper dispensing of flammable liquid (Immediate)	$100.00

Department of Community Relations
Monthly Report – August

After returning to the office on August 3 following maternity leave, I am especially proud of our team for successfully navigating a very busy summer season and keeping our programs and events moving forward in my absence. September marks a transition into a busy and exciting season for the Department of Community Relations.

Following the conclusion of our Summer Market season, we held our wrap-up meeting on August 28 to review the season, discuss vendor feedback, and finalize plans for future improvements. We are particularly excited to begin our first-ever Fall Market season this September, which will expand our market programming into the fall and provide an opportunity to test new ideas and continue building on the success of our summer markets.

Planning for the NC 4th of July Festival has also continued throughout the summer. Unlike previous years, the Festival Committee did not take its traditional August hiatus, as they have been actively working alongside the Old Baldy Foundation to host the upcoming Fort George Block Party. The committee has also continued its planning for the 2027 festival, keeping preparations moving forward well in advance of the event.

Looking ahead, Winterfest planning is also underway. We held our Winterfest kickoff meeting on August 25, with representatives from many of the participating groups in attendance. With strong participation already underway and a number of exciting events and activities being planned, we are looking forward to what is shaping up to be another great Winterfest season for the community.

Overall, the Department of Community Relations is moving from the conclusion of our summer programming directly into a full fall and holiday schedule. With the launch of a new Fall Market, continued work on the NC 4th of July Festival, and Winterfest planning are already underway, the coming months will be an active and exciting time for our department.

Submitted by Allayna Taylor, Director of Community Relations

Fort Johnston Visitors Center and Museum

Number of Visitors: 2595

- The Gift Shop generated $3,568.97 in gross revenue during August.
- Our Mobile Visitors' Center Booth continues to be a successful satellite endeavor, made possible by our wonderful volunteers, grossing $194.60.
- We are working on reordering certain popular items and introducing new items with new designs to celebrate the history and culture of Southport.

Southport Community Building

Number of Events: 10 | Number of Venue Tours: 26

- This month the focus shifted back to preparing for the fall wedding season, updating our webpage and materials with the new rates, and planning marketing and client experience improvements.
- The Community Building team will be attending Wilmington Wedding Expo this fall, and has begun preparations.

Department of Community Relations
Monthly Report – August

Special Events

Summer Concert Series

- The Summer Concert Series continues to be a successful community event, with attendance consistently exceeding 100 people each week. Residents and visitors alike have enjoyed a variety of live musical performances throughout the season, creating a welcoming atmosphere in downtown Southport.

4th of July Festival

- The Committee continues to work on the Battle of Fort George Block Party event, in partnership with the Old Baldy Foundation, in September. Our team is assisting with the website, social media advertisement, and will be there day-of for preparations and logistics.

Summer Markets

- Summer markets ended this month with a beautiful final day. We will have placer data soon on how all of the markets went this past year, as well as survey results from vendors.

Fall Markets

- Fall markets begin in two weeks, and we are filling up the last few vendors spaces for the series. As this is a new initiative, we are excited to see how well attended they are.

Beautification Committee

- The next Beautification meeting will be September 21, 5pm, at Indian Trail Meeting Hall.

Cemetery Committee

- The Cemetery Committee did not meet in August.

Attended this Month

- Food Truck Rodeo: 8/1/26
- Winterfest Tea Meeting: 8/4/26
- NC 4th of July Executive Board Meeting: 8/11/26
- Up Your Arts Board Meeting: 8/11/26
- Coast Host Meeting: 8/13/26
- NC 4th of July/Old Baldy Fort George Meeting: 8/13/26, 8/24/26
- Wooden Boat Show Meeting: 8/14/26
- Winterfest Tea Committee Meetings: 8/18/26, 8/20/26
- NC 4th of July Board Meeting: 8/18/26
- Southport Historical Society Brick Ceremony: 8/19/26
- SPT OKI Chamber Tourism Committee Meeting: 8/25/26
- NC 4th of July Pageant Meeting: 8/25/26
- America 250 NC County Committees Meeting: 8/25/26
- Winterfest Planning Meeting: 8/25/26
- NC 4th of July Sponsorship Meeting: 8/26/26

- Fall Market Logistics Meeting: 8/26/26
- Art Gallery Event Meeting: 8/27/26
- Holiday Home Tour Meeting: 8/28/26
- Text My Gov Meeting: 8/31/26
- Food Vendor Permit Meeting: 8/31/26

2026 Inspections Monthly Report

Month	New Construct	Building	Plumb	Mech	Electric	Gas	Accessory	Demo	Inspections	Permits Issued
January	7	164	74	67	80	44	2	1	448	165
February	7	140	74	44	74	15	2	0	369	127
March	5	193	102	48	90	27	5	0	497	153
April	12	203	70	76	93	29	2	0	525	185
May	9	155	66	53	81	40	0	1	422	193
June	14	198	80	72	92	41	1	1	540	213
July	8	213	70	63	105	16	3	1	543	205
August	5	203	62	75	83	30	3	0	506	141
September										
October										
November										
December										

POLICE

Monthly Summary

Police Department

Animal Protective Services

AUGUST 2026

Chief Todd Coring
910-457-7913
tcoring@cityofsouthport.gov

Southport Police Department

INCIDENT / OFFENSES

Total Calls for Service: 1280

General Calls *(some)*

Alarms – 14
Meet Complainant – 72
Suspicious Persons/Activity –32
Shoplifter – 0
Disturbance & Domestic Calls – 33
911 Hang-Ups – 8

Traffic Calls

Traffic Stops – 112
Motor Vehicle Accidents – 17
Hit/Runs – 2
Drunk Driver/C&R/ATL – 31

ARREST / CITATION / WARNING / ORDINANCE

Arrest – 13
Citations & Warnings – 100 Ordinance – 10

APS Division

Service Calls – 23
Bites – 3 Rabies – 0 Impound – 18 (surrenders)
Citation/Warnings – 4 Docupet – 13 of 709

Community Engagement

Special Events/Checks/Patrols – 771
Golf Cart Registrations – 965
ABC Permits Issued – 1 Film – 1
Special Event Permits – 6
Community Events – 12

Officer Morsh participating at a flag lowering ceremony.

Professionalism, Integrity & Service Above Self

Planning Services Update – August 2026

Planning Board: Regular meetings of the Planning Board are every 3rd Thursday at 6 p.m. at the Indian Trail Meeting Hall.

- August 20, 2026, meeting was canceled since there are no zoning applications to review.
- September 17, 2026, meeting agenda will include a PUD – major modification for Southport Crossings Residential Development and presentation of the Development Dashboard.

Board of Adjustment: Regular meetings of the Board of Adjustment are every 4th Tuesday at 4:30 p.m. at the Indian Trail Meeting Hall.

- The August 25, 2026, meeting included the swearing-in of new members and election of the chair and vice - chair.
- The September 22, 2026, meeting agenda will include 2 special use permits for ADUs and an appeal of a code enforcement violation.

Forestry Committee: Regular meetings of the Forestry Committee are held every 2nd Tuesday at 5:00 p.m. at the Indian Trail Meeting Hall.

Other Projects/Updates:

- The ROW ad hoc committee met in August and the first week of September to discuss new language for the ROW policy document. The new language and exemption provide further guidance for staff to enforce the existing code. The new policy document includes language reinforcing that the city may remove encroachments for any public purpose and shall levy the costs per Section 16-10(a) of the City Code of Ordinances. The policy also provides an exemption for fencing encroaching into the ROW that existed at the time of the ordinance update (December 2024) where there is no curbing or sidewalk. The new interpretation allows encroaching fencing that is no more than 15’ from the front plane of the primary structure. Several cases throughout the city meet these criteria and are appropriate to remain.

- An RFP for the re-write of the Unified Development Ordinance is open for responses from consultants/firms. Proposals are due at the end of September. The RFP is available on the city’s website for anyone interested in reviewing or submitting a proposal.
  https://www.cityofsouthport.gov/news_detail_T4_R99.php

- An RCCP Public Input Meeting took place on September 2, 2025, for input from the community about the risk and vulnerability assessment findings and proposed projects. There is a short online survey for anyone not able to make the meeting. The survey is located on the project page of the city’s website at the link below.

https://www.cityofsouthport.gov/departments/development_services/southport_resilience_planning_project.php

This project is fully funded by a grant from the RCCP and the Division of Coastal Management, through the General Assembly, and the National Fish & Wildlife Foundation. There is no local match requirement.

- Two members of the Development Services Department, Maureen Meehan and Penny Tysinger, were chosen to participate in Leadership Brunswick County. Leadership Brunswick is a nine-month professional development program sponsored by the local chambers of commerce and Brunswick County Community College. The program offers learning and networking opportunities to strengthen community leaders.

UDO/Map Amendments:

- Southport Crossings PUD Modification – Scheduled for the September 17 Planning Board meeting
- Staff are finalizing the update to Section 3.18 Tree Protection and Landscape Preservation of the UDO

Minor/Major Site Plan:

- Major Site Plan application for a retail project at Dutchman Village is being reviewed for compliance with TRC comments.

AUGUST	BLDG.	WORK ORDER DESCRIPTION	Status	Assigned To	Actual Completion Date
	801 CASWELL	REMOVED A LIMB THAT FELL	Complete	B&G	7/30/2026
	APS	HANG DRY ERASE BOARD IN HALLWAY	Complete	Jeremy Kennedy	7/30/2026
	CAPE FEAR	AT MOORE ST, FIX STOP SIGN	Complete	M/CREW	7/30/2026
	STUART	TAKE UP SIGN POST IN FRONT OF DEVELOPMENT ENTRANCE	Complete	M/CREW	7/30/2026
	801 CASWELL	REMOVE TREE LIMBS THAT FELL	Complete	M/CREW	7/30/2026
	E BAY	SET OUT BARRICADES ON FRIDAY FOR FOOD TRUCK RODEO	Complete	M/CREW	7/31/2026
	405 N ATLANTIC	PICK UP MATTRESS AND BOX SPRING SOMEONE DUMPED	Complete	M/CREW	8/3/2026
	COMMUNITY BLDG	LOOK ON ONE OF WOMENS STALLS BATHROOM BROKEN	Complete	Jeremy Kennedy	8/3/2026
	COMMUNITY BLDG	THERMOSTAT IN BRIDAL SUIT IS NOT WORKING, MESS HAD TO BE CLEANED UP UPSTAIRS	Complete	Jeremy Kennedy	8/3/2026
	NORTHWOOD CEMETERY	HYDRANGA LANE, TREE FELL OVER, CLEANED AND REMOVED	Complete	B&G	8/4/2026
	CLARENDON	AT BROWN ST, STOP SIGN IS BLOCKED BY BRANCHES	Complete	B&G	8/4/2026
	COMMUNITY BLDG	AC PAN ON BIG UNIT ROTTED THRU AND LEAKING	Complete	Jeremy Kennedy	8/4/2026

AUGUST	BLDG.	WORK ORDER DESCRIPTION	Status	Assigned To	Actual Completion Date
	CITY HALL	PENNY HAS A BULB OUT, CHANGED BULB UNDER CABINET	Complete	TS	8/5/2026
	N RHETT	AT NASH, LIMBS BLOCKING STOP SIGN	Complete	B&G	8/5/2026
	314 N LORD ST	PICKED UP STUMP GRINDINGS FROM A TREE REMOVAL	Complete	B&G	8/6/2026
	LORD ST	AT MOORE, STORM DRAIN PROJECT	Complete	M/CREW	8/4/2026
	LORD ST	INSTALL 15' AND BOX	Complete	M/CREW	8/7/2026
	LORD ST	CROSSED LORD ST WITH STORM PIPE	Complete	M/CREW	8/6/2026
	LORD ST	BACK FILLED AND DRESSED UP, FINISHED PROJECT	Complete	M/CREW	8/7/2026
	NASH ST	RESTROOMS, SOMEONE BROKE BAR ACROSS HANDICAP STALL	Complete	Jeremy Kennedy	8/10/2026
	N LORD	REMOVED A LIMB GFL DRIVER HIT, TOOK TO 9TH ST	Complete	B&G	8/11/2026
	PUBLIC WORKS	AC NOT WORKING IN SHOP, PTRAP CLOGGED	Complete	Jeremy Kennedy	8/11/2026
	DOWNTOWN	ROAD CLOSURES FOR FILMING, 8/13/26	Complete	M/CREW	8/12/2026
	BURRINGTON	CLEAN STORM DRAIN, FULL OF DIRT	Complete	M/CREW	8/12/2026
	INDIAN TRAIL MEETING HALL	SEWER SMELL INSIDE BUILDING	Complete	Jeremy Kennedy	8/13/2026

AUGUST	BLDG.	WORK ORDER DESCRIPTION	Status	Assigned To	Actual Completion Date
	502 W WEST	HUGH LIMB FELL ON SIDEWALK	Complete	B&G	8/14/2026
	BROWN R.O.W.	CLEAN UP RIGHT OF WAY ON BROWN ST 500 BLOCK	Complete	B&G	8/12/2026
	116 W WEST	HUGH TREE BRANCH FELL ON SIDEWALK	Complete	B&G	8/17/2026
	DRY ST	AT E WEST, LIMB HAS FALLEN, CLEANED UP	Complete	B&G	8/17/2026
	COMMUNITY BLDG	CLOGGED TOILET IN WOMENS ROOM	Complete	Jeremy Kennedy	8/17/2026
	COMMUNITY BLDG	MENS TOILET RUNS CONSTANTLY, REBUILT WHOLE GUTS	Complete	Jeremy Kennedy	8/17/2026
	WILLIS / NASH	CHECK STORM DRAIN AT CONSTRUCTION SITE, PRIVATE DRAIN	Complete	M/CREW	8/14/2026
	LORD ST	AT W MOORE, MILL AREA FOR STORM DRAIN PROJECT FOR ASPHALT	Complete	M/CREW	8/17/2026
	E WEST	CUT UP AND HAUL OFF TREE LIMB THAT FELL	Complete	M/CREW	8/17/2026
	W WEST	CUT UP HUGH TREE THAT FELL ACROSS THE STREET	Complete	M/CREW	8/17/2026
	E OWENS	NEAR CEMETERY MILL OUT BIG DIP FOR ASPHALT REPAIR	Complete	M/CREW	8/18/2026
	LORD ST	AT MOORE ST, MILL ROAD FOR ASPHALT REPAIR	Complete	M/CREW	8/18/2026
	LORD ST	AT MOORE, BUILD CURB AT NEW OUTLET DRAIN	Complete	M/CREW	8/18/2026

AUGUST	BLDG.	WORK ORDER DESCRIPTION	Status	Assigned To	Actual Completion Date
	GARRISON	ODOR AT FORT JOHNSTON, POSSIBLY A DEAD RODENT	Complete	Jeremy Kennedy	8/18/2026
	INDIAN TRAIL MEETING HALL	GUTTER FULL, CLEANED OUT, RAKED ROOF	Complete	Jeremy Kennedy	8/20/2026
	101 N ATLANTIC	PAVED DAMAGED AREA	Complete	M/CREW	8/20/2026
	LORD ST	AT MOORE PAVED DAMAGED AREA	Complete	M/CREW	8/20/2026
	LOWE WHITE PARK	TOUCH UP OR REPAINT EXTERIOR OF LOWE WHITE RESTROOMS	Complete	Jeremy Kennedy	8/21/2026
	COMMUNITY BLDG	AC IN BRIDAL ROOM AND MAIN ROOM NOT WORKING	Complete	Jeremy Kennedy	8/21/2026
	COMMUNITY BLDG	TABLE BROKEN, REPLACED SCREWS	Complete	Jeremy Kennedy	8/25/2026
	COMMUNITY BLDG	LATCH ON THE DOOR IS NOT CATCHING	Complete	Jeremy Kennedy	8/25/2026
	COMMUNITY BLDG	LIGHTS OUT IN HALL / BATHROOM	Complete	Jeremy Kennedy	8/25/2026
	FODALE	CLEAN OUT THE DITCH AND REMOVE DEBRIS	Complete	Jeremy Kennedy	8/25/2026
	CAPE HARBOR	ASPHALT PATCH	Complete	M/CREW	8/21/2026
	TAYLOR FIELD	MENS ROOM DOOR NOT UNLOCKING	Complete	Jeremy Kennedy	8/26/2026
	N ATLANTIC	BUSH HOG DIRT PORTION OF N ATLANTIC	Complete	M/CREW	8/26/2026

AUGUST	BLDG.	WORK ORDER DESCRIPTION	Status	Assigned To	Actual Completion Date
	RIVERMIST	STORM DRAIN CLEANED, CAPTAIN	Complete	M/CREW	8/26/2026
	RIVERMIST	CLEAN DRAIN ON BALLAST ROAD	Complete	M/CREW	8/26/2026
	RIVERMIST	WINLESS ST, CLEAN DRAINS	Complete	M/CREW	8/26/2026
	NORTHWOOD CEMETERY	REMOVED VINES, SMALL TREES AND SHRUBS ON HYDRANGEA LANE, HEATHER LANE, GLADIOLA AND GARDENIA LANE	Complete	B&G	8/25-27/26